



Environment and Transport Select Committee
12th June 2014

Utilities Task Group Recommendations and South East Permit Scheme (SEPS): Update Report

Purpose of the report: Policy Development and Review

The Select Committee is asked to review the further progress made on the recommendations of the Task Group, and to also review the performance of the South East Permit Scheme, to improve the co-ordination and quality of work of utilities companies in Surrey.

Introduction:

1. This report provides an update on the recommendations of the Task Group established to improve the co-ordination and quality of work of utilities companies in Surrey. Task Group membership was;
 - Mrs Pat Frost (Chair)
 - Mr Mike Bennison
 - Mr Stephen Cooksey
 - Mr Michael Sydney
2. Under the provisions of the New Roads and Street Works Act 1991 (NRSWA) and Traffic Management Act 2004 (TMA), the County Council has a “Network Management Duty”. (NMD)
3. Similarly, the NRSWA makes utilities companies (“works promoters”) wholly responsible for the management of their street works. They have the right to place, inspect, maintain, adjust, repair, alter, change position or remove apparatus in highways maintainable at the public expense.
4. Surrey County Council’s Street Works team had made significant progress in recent years to improve the Council’s ability to fulfil its NMD regard. However, some problems surrounding utility maintenance works and reinstatement works remained.
5. In order to alleviate these issues, the Environment and Transport Select Committee convened a Task Group of Members to look at the subject in

depth and form a number of recommendations to assist the Council in better co-ordinating works carried out by utilities companies on the County's highways

Review Structure and Consultation

6. The Task Group met on seven occasions between September and December 2012 and considered a number of different subjects, including communication, co-ordination, reinstatements, areas with special conditions and permit schemes
7. As part of the evidence gathering process, the Task Group interviewed a number of witnesses from utilities companies, along with Officers from neighbouring Highway Authorities, and surveyed County Councillors, Borough and District Reps and Parish Council Reps, as well as members of the public
8. Four Recommendations (sub divided) from the Task Group were considered by the Environment and Transport Select Committee on 10 Jan 2013 and were approved by Cabinet on 5 Feb 2013. Key amongst these recommendations was to introduce a Permit Scheme to better manage roadworks.
9. An update on progress against Task Group recommendations was presented to E&T Select Committee on 23 Jan 2014 where it was agreed that recommendation 4f be suspended and reported upon at the June 2014 Committee meeting, along with an update on the South East Permit Scheme (SEPS) which commenced in Surrey on 11 November 2014.

Progress update against outstanding recommendations

10. Recommendation 1a: *Clearer and easier to access information on the Surrey County Council website in relation to street works, including specific pages detailing utility works in Surrey.* This remains incorporated into the wider website development project. Extensive Development of www.roadworks.org by 'Elgin' is ongoing and it remains prudent to await final 'Elgin' functionality before finalising appropriate content and links between Surrey's site and roadworks.org.
11. Recommendation 1f: *Automatic ' areas of interest' alerts to be sent to the relevant member by the Elgin system, to enable Members to better communicate with residents.* The ongoing 'Elgin' system development will provide improved functionality, and so this recommendation has been deferred until final functionality is fully understood and rolled out. In the interim, Street works officers send out email alerts of works likely to cause disruption, to affected members.
12. Recommendation 2a: That Surrey County Council, in conjunction with South East 7 members and the Highways Authorities and Utilities Committee, lobby company regulators and Department for Transport on the following areas;

13. i) *That utility company street works performance be taken into account when setting prices.* This has been considered by South East Joint Authorities Group (SEJAG) and in discussions with the National Joint Authority Group Street works Manager and the DfT, however the structure of National HAUC (Highways and Utilities Committee) continues to be reviewed and restructures and it remains prudent to wait for this new hierarchy to be fully established in order to progress this recommendation further.
14. ii) *That Street Authorities be granted greater flexibility in the allocation and use of inspections at various stages of street works.* This requires a change to secondary legislation has also been considered by South East Joint Authorities Group (SEJAG) and in discussions with the National Joint Authority Group Street works Manager and the DfT, again however, with the current structure of HAUC UK under review, and also with Central Government's 'Red Tape Challenge' dictating that no new legislation can be laid if it "adds a financial burden to business" it is prudent to wait for this new hierarchy to be in place in order to progress this recommendation further. In the interim, a revised HAUC UK advise note has been circulated to better clarify issues with interpretation of current secondary legislation. A further revision of this document has recently (14 April 2014) been consulted upon and Surrey Officers responded with observations as to where improvements in the clarification could be made.
15. iv) *That a timeline for the repair of defective works be set with penalties to be applied in cases of non compliance.* The aforementioned revised HAUC UK advise note has been circulated in order to better clarify areas in the current legislation here – The Code of Practise for Inspections Sept 2002 (NRSWA). Fees apply for Surrey Officer time to be covered. A 'penalty' would require re-writing of both primary and secondary NRSWA legislation which is highly unlikely in the current political climate. (see para 14)
16. Recommendation 2b: *That the award of future contracts for works on the County highway takes into account the statistical street works performance of the companies concerned.* This has been discussed with colleagues in Procurement. At present there is no robust national performance measure of such areas, making contract award on this 'quality' basis problematic. A 'dashboard' is being developed by Geoplace, taking data from Highway Authorities' street works registers and when this dashboard is fully utilised by all Authorities – and the data sufficiently analysed, it may be possible for this recommendation to be further progressed. Until such time as this data is nationally available and validated, further consideration of this recommendation is not possible.
17. Recommendation 2d: *That the role of Boroughs, Districts, Parish and Town Councils and other known community organisations in the inspection and reporting of reinstatements be explored by Officers.* The trial continues in Woking Borough with an agreed proforma and reporting process in use. Volumes of reports remain low, but those received have been of good quality and have been progressed by the Street works

team to Woking Borough's satisfaction. The overall success of current process will be reviewed before a decision is taken on how best to roll this out further across Surrey, whilst accommodating any concerns over an unmanageable volume of reports, over a wider scale.

18. General Recommendation 3: *That proposal to introduce a 'Common' Permitting scheme with East Sussex County Council, to coordinate all works on the Surrey Council Highway, be endorsed.* Complete. South East Permit Scheme (SEPS) commenced on 11 November 2013. Please refer to later section of report for details.
19. iii) *That the statutory undertakers engage in greater communication with Local members when carrying out works in their area.* Kier (Surrey's primary Highways Contractor) has produced a draft "Customer Engagement at Street works and Roadworks – A Code of practice" which includes reference to engagement with Local Members. This document remains at consultation stage at present with all works promoters across both Surrey and East Sussex. In the interim, conditions placed on granted permits now require adequate consultation with members for works likely to cause most disruption.
20. Recommendation 4c: *That the Surrey County Council Gazetteer be updated to include all details relating to areas with special conditions / surfaces.* This recommendation remains in the work stream of Officers in the Highways information team, however the dataset itself holding such information is first being scrutinised/reviewed as part of the development of the new 'Horizons' asset management database, before any transfer into the National Street Gazetteer is scheduled.
21. Recommendation 4f [Suspended at Jan 14 Committee] : *That the potential for the collation of a limited central store of specialist surfacing materials by Surrey County Council be explored, containing materials that can be ordered on behalf of utility companies on a cost basis, as required, to enable swifter and more appropriate reinstatements in Conservation Areas.* This option was considered however, no suitable location had been identified to hold such a store, nor were any finances identified to set up and run such an operation. Having consulted with works promoters there was little appetite for such a service, with each works promoter feeling they could provide their own supply chain at lesser rates than this solution would produce. The use of appropriate conditions within permit application approvals has given Surrey greater control over the first time permanent reinstatement of specialist materials and the additional staff resource now available for onsite inspections has ensured a swifter response to any concerns over reinstatement in conservation areas. Management of the Street works function are not aware of any specific concerns over reinstatement in conservation areas since the commencement of the SEPS and it is therefore recommended that this original recommendation is removed.

South East Permit Scheme:

22. Following the required formal consultation period, both Surrey and East Sussex Councils submitted an application to the DfT in March 2013 to

operate the common 'South East Permit Scheme' (SEPS) to manage activities on the highway across their networks. Following the required DfT sign off process, and the making of the Statutory Instrument, SEPS went live in both authorities on Monday 11th November 2013.

23. Thus far, the additional powers given by the scheme have already made a demonstrable difference to Surrey's ability to manage works on the highway. Surrey and East Sussex Officers have set up a working group to review the success of the scheme and consider refinements to approach and process.
24. Permits granted for Utility Companies on major routes or on 'traffic sensitive' roads incur a fee and these fees are used to offset the operation of the scheme. Whilst these fees cannot be used as an income generator they can ensure that the scheme is cost neutral for Surrey. Thus far income derived from permit fees is in line with the levels estimated when the scheme was designed and so the forecast is that the scheme will be cost neutral in year 1. Fees can be reviewed annually. Permits granted for Surrey's own works follow the same process to grant permits, but no fee is involved.

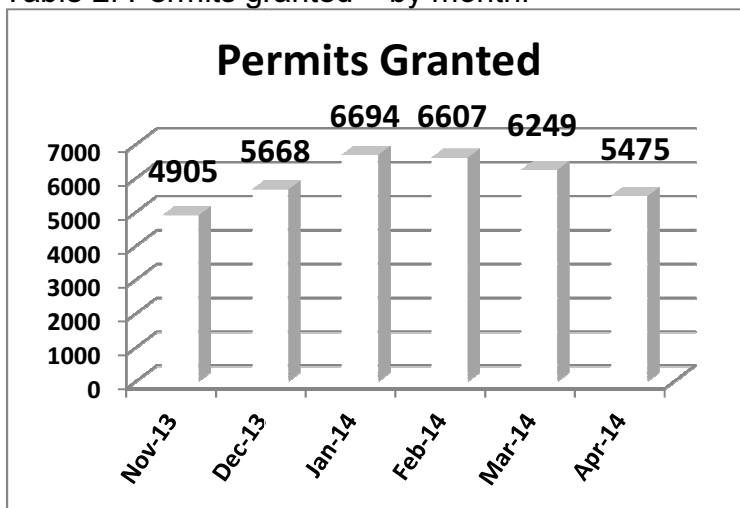
Current Fees are outlined below in table 1.

25. Table 1: Surrey CC Permit Fees

	Main roads	Minor roads
	All 0, 1, 2 streets and Traffic Sensitive (at any time) 3 & 4 streets	3 and 4 / Non Traffic Sensitive streets
Provisional Advance Authorisation	£83	£66
Major Activity [over 10 days] and all major works requiring a traffic regulation order.	£216	£141
Major Activity [4 – 10 days]	£127	£ 0
Major Activity [up to 3 days]	£58	£ 0
Standard activity	£127	£ 0
Minor Activity	£58	£ 0
Immediate activity	£52	£ 0

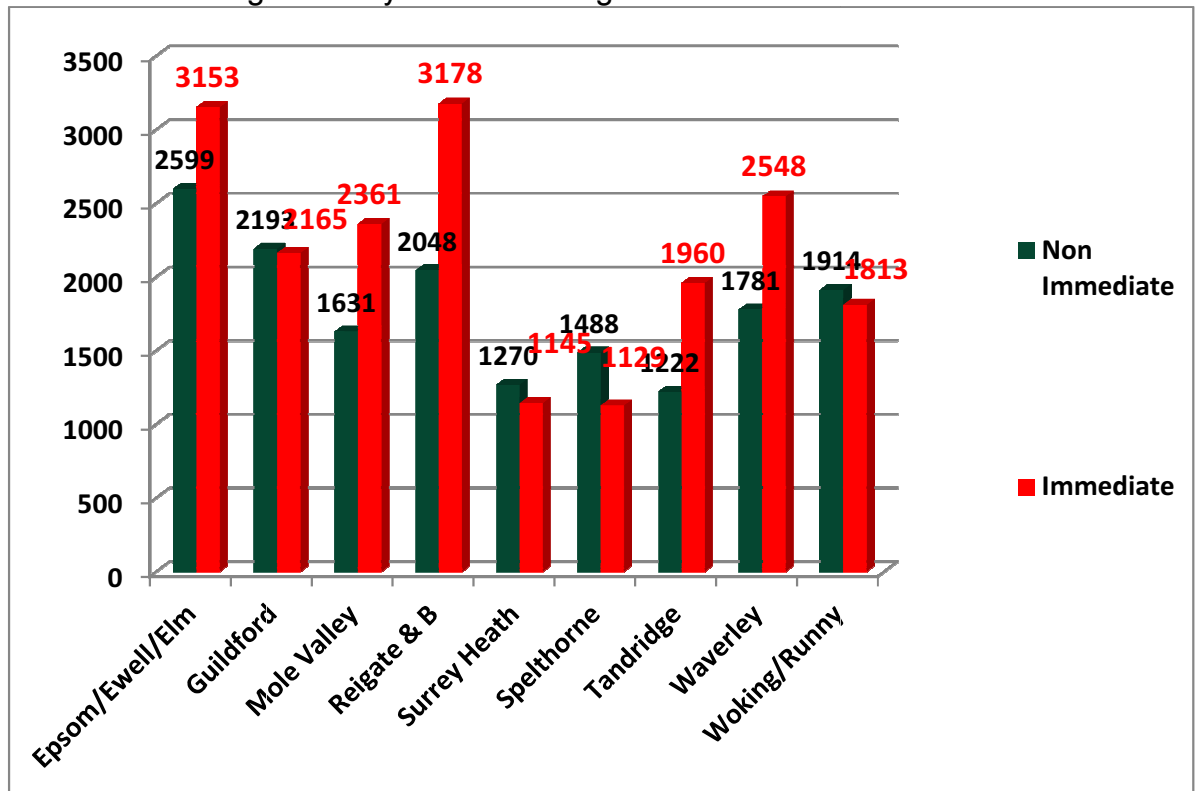
Permit Variation	£45	£35
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26. The Department for Transport (DfT) are introducing changes to the process for Authorities who now wish to commence operation of a permit scheme for road works. This change has created a deadline of 1st August 2014 for any Authorities wishing to join current 'Common' Schemes, under current process. As such four other SE Authorities have commenced the current process required to join the SEPS; Bracknell Forest, Wokingham, Slough and West Berks, demonstrating that the SEPS is seen to provide the required tools to better manage Utility Companies' works.
27. As part of the DfT changes to the permit scheme approval process, the department are considering the introduction of a set of nationally agreed permit conditions. This would require SEPS to adapt the conditions used with the scheme to this new national set. Surrey Officers are working closely with other current and proposed future members of SEPS to ensure that any changes introduced by the DfT are not to the detriment of the scheme's operation thus far.
28. From scheme commencement on 11 November 2013 to the end of April 2014, Surrey had granted a total of 35,598 permits to all works promoters (including Surrey's own works promoters). Many of these with 'conditions' placed upon the granting of the permit to ensure works are executed in a way acceptable to Surrey. Table 2 below shows the month by month breakdown of granted permits.
29. Table 2: Permits granted – by month.



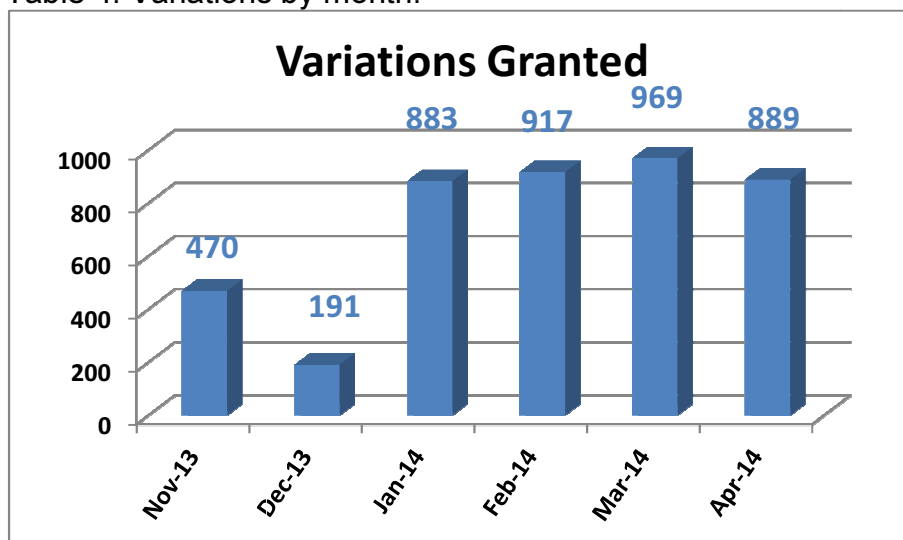
30. Of these 35,598 granted permits, 16,148 were for 'Non Immediate' (planned) activities, whilst 19,450 were for 'Immediate' (emergency) activities. Table 3 below shows the number of granted permits by category and district/borough.

31. Table 3: Permits granted by District/borough



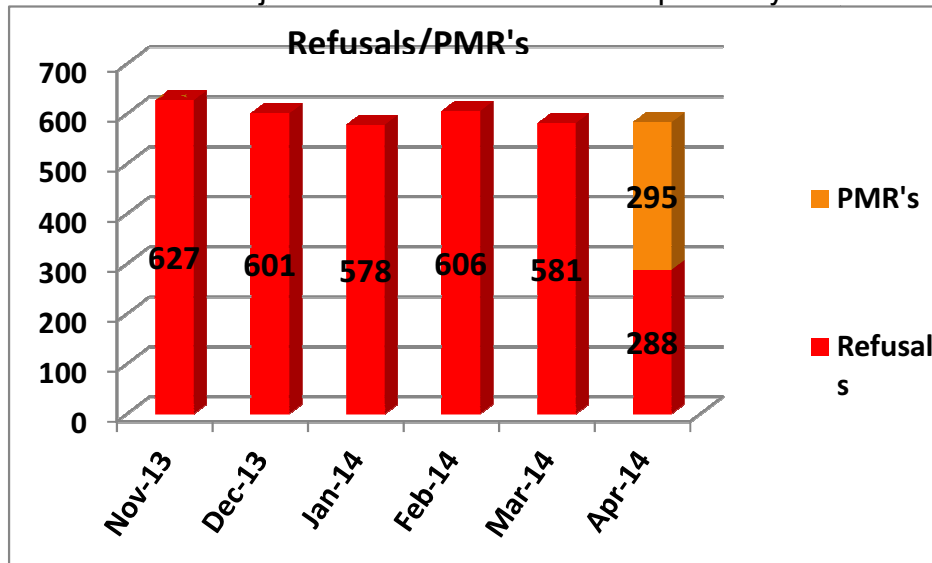
32. 'Variations' can be given to permits to allow an early start, an extension of the works duration or a change of methodology. 4,319 Variations have been granted to date. Table 4 below shows the month on month variations granted.

33. Table 4: Variations by month.



34. Surrey can reject permits if the content/proposals are not acceptable. Most rejected permits are of course resubmitted and subsequently granted with the correct amendments made or conditions applied. From April 2014 changes to the software available to permit scheme operators meant that 'Permit Modification Requests' (PMRs) could be used for minor changes as opposed to a rejection. Table 5 shows numbers of rejections by month, with the April figure showing the conversation to use of PMRs as well as rejections.

35. Table 5: Permit rejections and Modification requests by month



36. Issuing of Fixed Penalty Notices (FPNs) against Utility Companies commenced in February 2014. Thus far 518 FPNs have been given for either breaching the conditions placed upon a permit or for failure to supply the correct information required to a prescribed timeline. Each FPN offers the opportunity for the Utility Company to discharge their liability for the offence committed. Payment is £120 per FPN, or £80 if the FPN is paid within a 29 day 'discount' period. Should a Utility Company elect to not accept and pay an FPN, Surrey can consider prosecuting such offences. No prosecutions have yet been considered as all FPNs issued have either been; paid, withdrawn (x15) or are still within the process whereby payment could be forthcoming.
37. Additional Street Works Officers employed to support the Permit Scheme Operation have allowed for a greater number of inspection of works to be undertaken. Over the past 12 month period – May 2013 to May 2014, 15,417 inspections have been undertaken at various stages of works and these inspections have led to a 'defect' being recorded on 1,575 occasions (circa 10% failure rate), but these figures do include re-inspection of known defective sites on some occasions, which may artificially inflate the percentage failure rate very slightly. Table 6 below shows the number of inspections undertaken by works promoter.
38. Table 6: Site inspections May 13 – May '14 by works promoter.

Inspection Type	Total amount of Inspections Per Promoter
AFFINITY WATER - C	1440
BT	2293
ES Pipelines Ltd	3
Fulcrum Pipelines Limited	20
GAS TRANSPORTATION CO LTD	11
GEO	6

National Grid Gas Plc	335
NETWORK RAIL -PROMOTERS NATIONAL	5
O2 (UK) Limited	3
Romec	2
South East Water	920
SOUTHERN ELECTRIC	424
SOUTHERN GAS NETWORKS	2528
Southern Water	2
SSE DATACOM	12
SURREY COUNTY COUNCIL	433
SUTTON AND EAST SURREY WATER	1827
Thames Water Utilities Ltd	2053
T-Mobile (UK) Limited	1
UK POWER NETWORKS SOUTH EASTERN	1093
VIRGIN MEDIA	1989
Vodafone	17
Grand Total	1,5417

39. Following a successful Audit review of the Streetworks function in 2013, Surrey's Internal Audit plan for 2014/15 includes an audit of the permit scheme process in the fourth quarter of the year.

Conclusions:

40. Most of the recommendations of the Task Group have been completed or are continuing to be addressed by Officers, particularly embedding the new processes around the South East Permit Scheme. Officers in the Street works team continue to monitor the outcome of these recommendations and also identify refinements to the recommendations.
41. The SEPS has been operating successfully since 11 November 2013 and has given the Street works team a far greater degree of control over both works co-ordination and methodology/execution of works.

Recommendations:

42. That members note this report and comment on the progress made to date, recognise the issues around progressing some recommendations due to the ongoing changes in the HAUC structure, support the removal of original recommendation 4f and the ongoing development of the SEPS.

Next steps:

Surrey Officers continue to progress outstanding recommendations and embed and develop permit scheme processes.

The Operation of the Permit Scheme is reported upon as part of Surrey's Internal Audit Plan. (Programmed for quarter 4 of 2014/15)

Report contacts:

Matthew Jezzard, Traffic and Street works Manager, Operations Group.

Contact details: Tel: 01483 517453
Email: matthew.jezzard@surreycc.gov.uk

Thomas Pooley, Scrutiny Officer, Democratic Services.

Contact Details: Tel: 0208 541 9902
Email: thomas.pooley@surreycc.gov.uk

Sources/background papers:

Task Group Report: Improving the Co-ordination and Quality of Work of Utilities Companies in Surrey.

Environment & Transport Select Committee - 10 January 2013

Utilities Task Group: Update Report.

Environment and Transport Select Committee – 23 January 2014