



Environment and Transport Select Committee
12th March 2015

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. Whilst Surrey County Council's Street Works team had made significant progress in recent years to improve the Council's ability to manage street works and road works, some problems surrounding utility maintenance works and reinstatement works remained.
3. 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. The final report from the Task Group is attached here for reference as Appendix A.

Review Structure and Consultation

4. 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

5. 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
6. Four main Recommendations (sub divided into 22 in total) 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.
7. Updates on progress against Task Group recommendations have been presented to E&T Select Committee in January 2014, June 2014 and January 2015, along with an update on the South East Permit Scheme (SEPS) which commenced in Surrey on 11 November 2013.
8. Of the 22 recommendations made by the Task Group, 10 remained outstanding and were reported upon in June 2014. Progress against these recommendations is outlined below.

**Progress update on recommendations still outstanding at June 2014
E&T Select Committee**

9. Recommendation 1a - **Now completed.** *Clearer and easier to access information on the Surrey County Council website* has been achieved by embedding data from the www.roadworks.org website. Access to this interactive mapping on Surrey's website now takes only three 'clicks', as opposed to the previous 10, and the data is accurate and clearer. Further improvements to the data with diversion routes shown and enhanced description of works activities remain ongoing as part of the 'day-to-day development of the information by the Street works team.
Link to site: <http://www.surreycc.gov.uk/roads-and-transport/road-maintenance-and-cleaning/roadworks-in-my-area>
10. Recommendation 1f: - **Now completed.** Automatic, bespoke '*areas of interest*' alerts can now be sent directly to Members utilising functionality within the Roadworks.org website. A member trial of this system is commencing with Cllr's Beckett, Cooksey and Wilson, prior to any wider roll out.
11. Recommendation 2a: *That Surrey County Council, in conjunction with South East 7 (SE7) members and the Highways Authorities and Utilities Committee, (HAUC) lobby company regulators and Department for Transport (DfT) on the following areas;*
12. *i) That utility company street works performance be taken into account when setting prices.* **Recommendation ongoing.** Following Surrey's initial discussions with other SE7 members and Senior Officers from HAUC, it is evident that any progression of this recommendation requires DfT focus and input in order to influence industry regulators. DfT's limited

resources in this area are currently solely focussed on production of new 'April 2015' Permit Regulations and associated Codes of Practise. Current Vice Chair of HAUC England – David Latham (Kent CC) also advises that the governance structure between the newly formed HAUC England and reformed HAUC UK is still under development. Until such time as this governance structure is agreed and embedded, HAUC UK is unlikely to be able to encourage DfT to prioritise engagement with regulators.

13. ii) *That Street Authorities be granted greater flexibility in the allocation and use of inspections at various stages of street works.*
Recommendation ongoing – however given the substantial increase in total inspections undertaken since commencement of the South East Permit Scheme, Officers request Select Committee to consider whether this recommendation is still required. As updated previously, this would require a change to secondary legislation. Changes to the Code of Practise for Inspections have been considered previously by DfT and HAUC but, without any industry agreement reached and with the current National Government's 'Red Tape Challenge' these changes now appear to have been postponed indefinitely. A HAUC UK advice note has been circulated to better clarify issues with interpretation of current secondary legislation. The current issues outlined above regards DfT resource and focus, and current HAUC structure also applies here. A change in National Government could possibly mean a review of current government thinking. Members should also note that Surrey can elect to inspect 100% of all works at all stages if we so wished, but we would need to employ a substantially increased number of Officers to do so.
14. iv) *That a timeline for the repair of defective works be set with penalties to be applied in cases of non compliance.* **Recommendation ongoing.** Whilst the Code of Practise sets out the process for reporting of and responding to defective reinstatements, a 'penalty' for late completion would require re-writing of both primary and secondary NRSWA legislation which is highly unlikely given the current industry and political climate. (see above) South East HAUC has however produced a further guidance note for HAUC England consideration to seek agreement on timeline for repairs.
15. 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.* **Recommendation ongoing.** This has been discussed with colleagues in Procurement. At present there is still no robust national performance measure of such areas, making contract award on this 'quality' basis problematic. A voluntary performance 'dashboard' tool 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. Currently 50% of Highway Authorities are now voluntarily supplying this data.

16. 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.* **Trial with Woking ongoing.** A trial in Woking Borough remains ongoing, with an agreed proforma and reporting process in use. Thus far the trial is inconclusive regards the value of reporting/receiving time for the respective partners, versus the benefits. Officers from Surrey and Woking agreed in December 2014 to continue this trial for a further three months, before any 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.
17. 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.* **Completed November 2013 – see latter section of this report.**
18. iii) *That the statutory undertakers engage in greater communication with Local members when carrying out works in their area.* **Now completed.** Surrey’s Street works team have produced Internal policy documents for ‘Major Works’ and ‘Comms and Engagement’ (Appendices B & C) in order to ensure Members receive communications regards works likely to cause disruption in their areas. Kier (Surrey’s primary Highways Contractor) work to their “Customer Engagement at Street works and Roadworks – A Code of practice” (Appendix D) which includes reference to engagement with Local Members.
19. Recommendation 4c: *That the Surrey County Council Gazetteer be updated to include all details relating to areas with special conditions / surfaces.* **Recommendation ongoing.** This recommendation remains in the work stream of Officers in the Highways information team; however the dataset itself holding such information is first being collated, developed, and reviewed as part of the development of the new ‘YOTTA’ asset management database, before any transfer into the *National Street Gazetteer* is scheduled. This work should link with a review of Surrey’s Gazetteer itself. Officers are currently exploring resource options – both internal and consultant, to undertake this review.
20. Recommendation 4f: *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.* **Officers have fully explored the current potential for creation of such a store.** No suitable location has been identified to hold such a store, nor were any finances identified to set up and run such an operation and as such the service does not believe this is currently financially viable. However within Phase Two of Surrey’s ‘E&I Future’ review (2015), this recommendation remains under consideration as part of that wider review of services/structure. It should be noted that the use of current appropriate conditions within permit application approvals has given Surrey greater control over the first time permanent reinstatement of

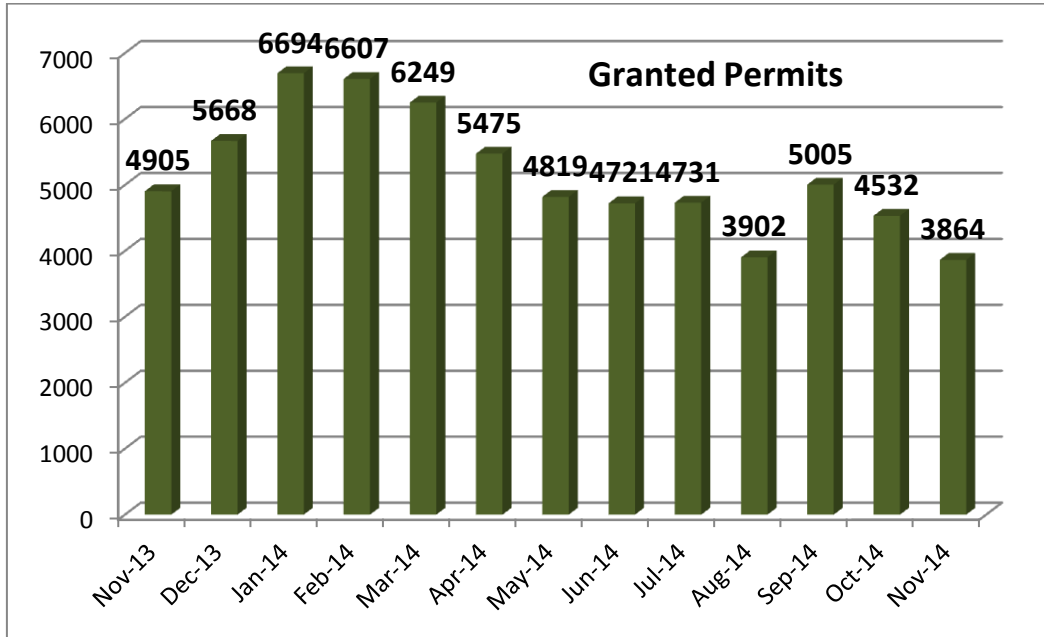
specialist materials and the additional staff resource now available for onsite inspections has ensured a swifter response to any concerns over reinstatement in conservation areas. Management of the Street works function are not aware of any specific concerns over reinstatement in conservation areas since the commencement of the SEPS.

South East Permit Scheme (SEPS) Update:

21. 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.
22. Bracknell Forest Council has also subsequently commenced operation of SEPS in November 2014, and Wokingham Council have also now commenced operation in January 2015. Slough and , West Berks have both received DfT approval to commence SEPS operation before April 2015 (when Permit Regulations change), demonstrating that the SEPS is seen to provide the required tools to better manage Utility Companies' works.
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, along with representatives from the other four Authorities joining the scheme, and selected Utility Company 'Sector' Representatives have set up a working group to review the success of the scheme and consider refinements to approach and process, where permissible.
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.
25. Under the new April 2015 Permit Regulations, through current consultation with national stakeholders the DfT 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, Statutory Undertakers and the DfT, endeavouring to mitigate any changes introduced by new regulations which may be to the detriment of the scheme's operation.
26. From scheme commencement on 11 November 2013 to the end of November 2014, Surrey had granted a total of 67,172 permits to all

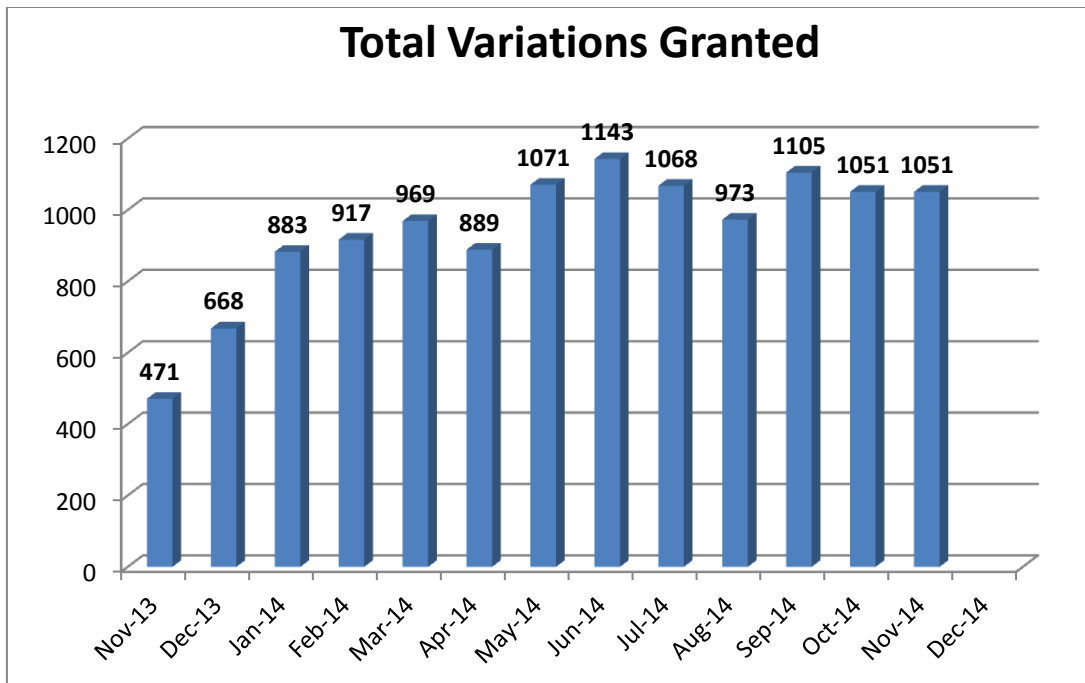
works promoters (including Surrey's own works promoters). Many of these with 'conditions' placed upon the granting of the permit to ensure works are executed in a way acceptable to Surrey. Table 2 below shows the month by month breakdown of granted permits.

27. Table 2: Permits granted – by month.



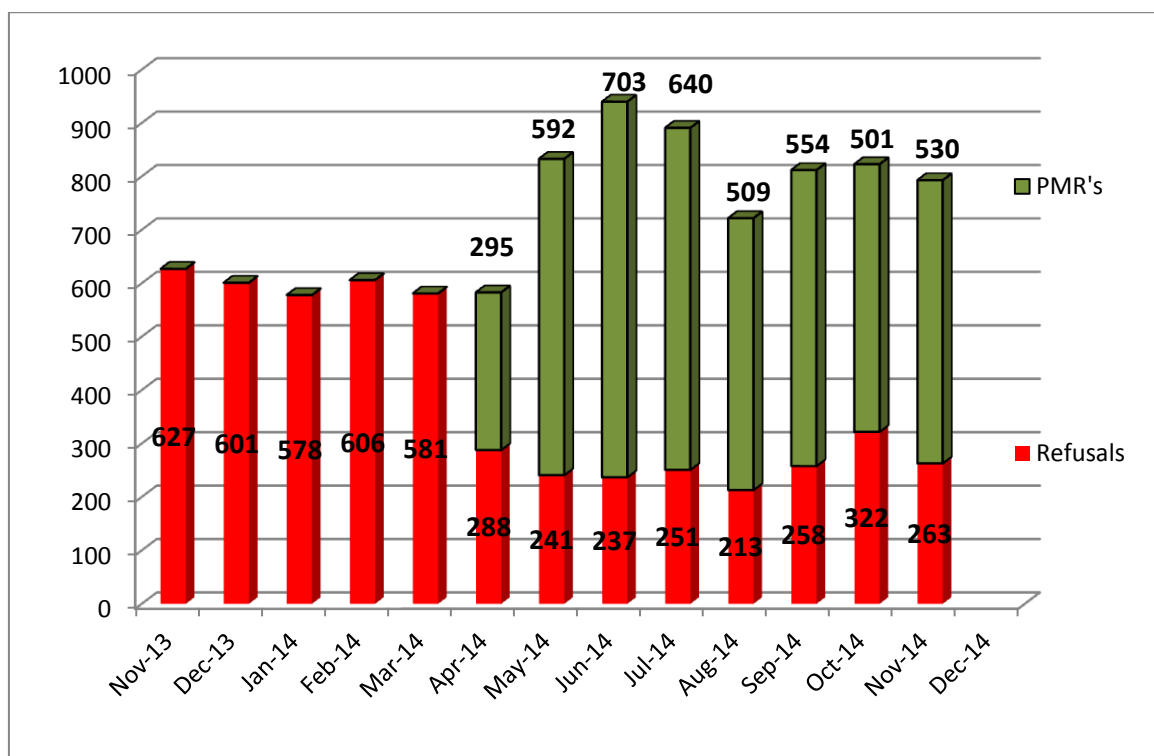
28. 'Variations' can be given to permits to allow an early start, an extension of the works duration or a change of methodology. 12,259 Variations have been granted to date. Table 3 below shows the month on month variations granted.

29. Table 3: Variations by month.



30. Surrey can refuse permits if the content/proposals are not acceptable. Most refused 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 refusal. Table 4 shows numbers of refusals by month, with the April figure showing the conversation to use of PMRs as well as refusals.

31. Table 4: Permit refusals and Modification requests by month



32. Issuing of *Fixed Penalty Notices (FPNs)* against Utility Companies commenced in February 2014. Within the first year of permit scheme operation 1196 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. Table 5 shows the number of FPNs given each month.

33. Table 5: FPNs given, by month.

Month	Count of FPNs	Sum of FPNS
Feb '14	28	£ 3,120.00
Mar '14	279	£ 24,300.00
Apr '14	96	£ 8,120.00
May '14	84	£ 6,720.00
Jun '14	96	£ 7,680.00
Jul '14	95	£ 7,600.00
Aug '14	114	£ 9,560.00
Sep '14	163	£ 13,040.00
Oct '14	128	£ 10,240.00
Nov '14	113	£ 9,700.00
Grand Total	1196	£ 100,080.00

Additional Street Works Officers employed to support the Permit Scheme Operation, and new inspection 'types' required by the operation of the scheme have allowed for a greater number of overall inspection of works to be undertaken. Using overall figures in the year prior to the introduction of SEPS total inspections numbered 13,326 against 21,041 for the first year post SEPS introduction. **This constitutes an additional 7,926 inspections per annum, a 59% increase in works inspections.**

34. Table 6 below shows the number of inspections undertaken - by works promoter.

35. Table 6: Site inspections Nov 13 – Nov 14 by works promoter.

Inspection Type	Total Amount of Inspections Per Promoter
Abovetnet Communications UK Ltd	4
AFFINITY WATER - C	1673
BT	3319
ES Pipelines Ltd	4
Fulcrum Pipelines Limited	19
GTC	25
LONDON TRANSPORT	1
National Grid Gas Plc	482
NETWORK RAIL -PROMOTERS NATIONAL	35
O2 (UK) Limited	1
Romec	2
South East Water	1100
SOUTHERN ELECTRIC	521
SOUTHERN GAS NETWORKS	3436
Southern Water	8
SSE DATACOM	5
SURREY COUNTY COUNCIL	883
SUTTON AND EAST SURREY WATER	2019

Thames Water Utilities Ltd	2741
T-Mobile (UK) Limited	7
UK POWER NETWORKS SOUTH EASTERN	1903
VIRGIN MEDIA	2801
Vodafone	52
Grand Total	21,041

36. 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. Meetings are scheduled towards the end of February to confirm the dates for the completion of this audit.

Conclusions:

37. Further recommendations of the Task Group have been completed since the last report to E&T Select Committee and 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.
38. 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:

39. That members; note this report and comment on the progress made to date and recognise the issues around progressing some outstanding recommendations due to the ongoing changes in the HAUC structure and DfT resource levels/focus, and others due to current financial viability.
40. That members support the removal of original recommendation 2 a.) ii), given the increased number of inspections now being undertaken.
41. That members support 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

Huma Younis, Scrutiny Officer, Democratic Services.

Contact Details: Tel: 0208 213 2725
Email: huma.younis@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

Utilities Task Group: Update Report

Environment and Transport Select Committee – 12 June 2014

Utilities Task Group: Update Report

Environment and Transport Select Committee – 22 January 2015