



National Joint Utilities Group (NJUG) response to Defra's consultation on its strategic policy statement to Ofwat 2017

Introduction

As the UK's only Trade Association representing utilities and their contractors on street works issues, we promote best practice, self-regulation and a two-way relationship with government and other relevant stakeholders. The National Joint Utilities Group (NJUG) is also the utility arm of the Highway Authorities and Utilities Committee (HAUC(UK)), working collaboratively with roads / local authorities and national and regional governments to drive up standards of road and street works in Scotland, England, Northern Ireland and Wales. This response is specifically the views of NJUG members, not representing HAUC.

All major water companies and many of their contractors are members of NJUG. As this response will set out, street works play a critical role delivering and maintaining the infrastructure that consumers rely on for a safe and reliable water supply.

NJUG welcomes the opportunity to respond to this consultation on the government's strategic policy statement to Ofwat 2017. NJUG supports the broad aims set out to **secure long-term resilience** and **protect consumers**.

- 7. Has the government identified the most relevant strategic priorities for Ofwat?
8. If not, please set out any strategic priorities you consider should feature.**

NJUG supports the strategic priorities that the government have identified for Ofwat.

As this response sets out, the government should adopt a strategic and coherent approach to street works to ensure that other government policy measures and regulations impacting on street works do not undermine the industry's ability to deliver towards the government's strategic priorities for the water sector.

- 9. Will the supporting objectives effectively underpin Ofwat's delivery of the strategic priorities?
10. If not, please identify any key objectives that could be strengthened or key objectives you consider to be missing.**

Value of street works in delivering Ofwat's strategic priorities

NJUG would emphasise the role that street works play in delivering the government's stated ambitions by allowing infrastructure upgrades and maintenance to take place. Street works are a vital part of ensuring safe, secure and reliable essential services, which underpin the UK economy and make a major contribution to economic growth, both directly through multi billion pound investment in utility networks and indirectly through connecting new businesses and consumers.

As the government note in their Industrial Strategy Green Paper, investment in upgrading infrastructure '*will ensure that our businesses can thrive, services are resilient and can enable higher rates of house-building, making houses more affordable*'. Investment in infrastructure, including water infrastructure is essential to improving UK competitiveness, productivity and



promoting balanced growth. Street works are therefore critical to delivering the government's priorities.

Street works play a key role in achieving the objectives that the government has identified for the water sector, particularly those focussed on investment in infrastructure.

Within the water sector, street works are an enabler for improving resilience, reducing leakage and delivering better outcomes for consumers. The industry is reliant upon street works, and infrastructure maintenance and development would be unable to progress without it. Street works play a critical but often unseen and unacknowledged role.

The consultation document sets out a number of measures which the government would like Ofwat to promote. As set out below, street works have a necessary role in delivering these:

- **Reducing leakage** – Street works are essential in enabling water companies and their contractors to undertake leakage detection and repair works. Leakage works play a critical role in improving resilience.
- **Metering** - Introducing metering measures require some work in the footway. This document notes that the government expects companies to 'help customers use water efficiently, including through metering'.
- **New housing** - The document highlights the government's expectation that 'companies will play their part by ensuring timely connections of new developments to water and wastewater systems so that this does not hold up getting homes built'. Street works play a critical role in enabling new development by providing the basic infrastructure required. Early involvement in the planning process makes it easier for this infrastructure to be delivered and co-ordinated.

Impact of street works policy measures on the water sector

Street works inevitably can cause disruption for motorists and other road users. NJUG members are committed to mitigating the impact of street works through greater collaboration and coordination of works and by using innovative methods. The NJUG *Vision for Street Works* sets out seven key goals – such as safety, minimising disruption, keeping the public informed – which the industry has committed to in order to improve outcomes for everybody.

Local authorities have considerable powers to manage utility street works. To continue to find solutions to reduce urban congestion, NJUG's view is that there needs to be the time and space to allow these powers to be used effectively and consistently.

Central government and local authorities have consistently introduced new policy measures and regulations which increase the cost and compliance burden on utilities companies and contractors. These additional costs will inevitably be borne in time by water customers, and the compliance process makes it harder to deliver work on time and to budget. This will have implications for consumers and could undermine the strategic priority to protect customers.



Importance of adopting a strategic approach to street works

It is critical that the government takes a strategic and coherent approach to street works that includes close liaison with other organisations to shape the policy environment affecting street works to ensure that it supports, rather than works against, broader government policy objectives.

There are examples of effective cross-government working on street works which could be built on. The Department for Culture, Media and Sport (DCMS), working with utility companies, took a strategic approach with the Department for Transport (DfT) to the impact of street works on broadband delivery. This involved co-ordination with the DfT and highways authorities to achieve Section 58 planning arrangements for the installation of broadband cabinets. This model of cross government co-ordination to ensure the smooth delivery of infrastructure is one which we suggest should be used more broadly across government.

With much of the policy framework – including lane rental and permit schemes – facing a period of review, we suggest that it is particularly important at this time to ensure that the approach to regulating and incentivising improvements in street works supports broader government objectives such as those set out in the draft Strategic Policy Statement of securing long-term resilience of water services. We would be pleased to discuss this further with Defra.

For more information or to discuss this response further, please contact Angus Hill on 02072 271 645/07736 889 848 or Angus@njug.org.uk.