



**From the Parliamentary  
Under Secretary of State**

## *Department for Transport*

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Our Ref: MC/1555

Councillor Peter Box  
Local Government House  
Smith Square  
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7 June 2011

Thank you for your letter of 13 April about issues relating to the powers available to Local Highways Authorities to manage streetworks undertaken by utility companies.

The Department is considering how best to proceed with overrun charges in light of a consultation held last year, in line with the Government's commitment to reducing regulatory cost on business.

We are also working to finalise new regulations to enable future lane rental schemes (by December 2011) and to remove the current requirement for local authority permit schemes in England to be approved by the Secretary of State (by April 2012). In relation to both lane rental and permit schemes, I expect the Department to be consulting on legislative proposals over the summer.

I certainly sympathise with local authorities' concerns about street works causing long term damage, and with the view that "the polluter should pay". However, I consider that where a utility company's highway reinstatement is substandard local authorities currently do have adequate powers to require them to put things right.

Where reinstatements are completed to a good standard but there is a risk of long term damage to the road, I am yet to be persuaded that implementing the statutory powers about resurfacing and recovering would offer a proportionate and workable solution that creates the right incentives for utility companies. I am concerned that the resulting costs would simply

feed through into utility bills rather than changing utility companies' behaviour for the better. It would therefore still be households and businesses who ultimately bear the costs of long-term damage, whether through taxation (as now) or through utility bills.

The proposal to allow councils to take a bond from utility companies in order to make recouping the cost of remediation easier is inconsistent with the Coalition Government's commitment to reduce regulatory costs on business. A more pragmatic approach would be to reduce the extent of long-term damage costs through a greater focus on high-quality reinstatements.

I do not propose to bring forward legislative proposals in this area in the foreseeable future, but the Department will continue to keep the position under review through its ongoing engagement with the Highway Authorities and Utilities Committee, and other interested parties.

I hope this reply helps to clarify the position.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Norman', with a stylized, cursive flourish extending to the right.

**NORMAN BAKER**