



Department of

Health, Social Services and Public Safety

www.dhsspsni.gov.uk

AN ROINN

Sláinte, Seirbhísí Sóisialta
agus Sábháilteachta Poiblí

MÁNNYSTRIE O

Poustie, Resydènter Heisin
an Fowk Siccar

Subject:

**AASD (Public Audit & Accountability Branch):
Memoranda of Reply on 9th Report from Public
Accounts Committee Session 2008-09**

Circular Reference: HSS(F) 33/2009

17th June 2009

For Information to:

**Chief Executive and Director of Finance of each
HSC Body and NIFRS**

Summary of Contents:

**This circular contains the DFP Memorandum on the
Ninth Report from the PAC Session 2008-09
concerning Road Openings by Utilities**

Enquiries:

**Any enquiries about the contents of this Circular
should be addressed to:**

**Linda Greenlees
Finance Policy, Accountability and Counter Fraud
Unit
Room D3
Castle Buildings
Stormont Estate
BELFAST
BT4 3SQ**

**Tel: 028 90765647
fpau@dhsspsni.gov.uk**

**Superseded Documents:
Not Applicable**

**Related documents:
Not Applicable**

**Expiry Date:
Not Applicable**

**Status of Contents:
Informative**

**DEPARTMENT OF FINANCE AND PERSONNEL MEMORANDUM ON THE 9TH
REPORT FROM THE PUBLIC ACCOUNTS COMMITTEE SESSION 2008-09**

Purpose

1. This is to inform you that the following document was added to the Memoranda of Reply to Public Accounts Committee Reports category:

MOR on the 9th Report from the PAC Session 2008/09: Department of Finance and Personnel Memorandum on the 9th Report from the Public Accounts Committee Session 2008/09: Road Openings By Utilities

This document has been attached for reference.

Action

2. Please ensure that this circular is brought to the attention of the appropriate staff in your organisation and that any relevant action points are noted.

Should you have any queries on this please contact Linda Greenlees on 02890 765647

Yours,



Neelia Lloyd

Finance Policy, Accountability and Counter Fraud Unit

**Department of
Finance and Personnel
Memorandum on the Ninth
Report from the
Public Accounts Committee
Session 2008-2009**

**Road Openings by Utilities
Presented to the Northern Ireland Assembly
by the Minister of Finance and Personnel
22 May 2009**

NIA 125/08-09 BELFAST: THE STATIONERY OFFICE LTD

© Crown Copyright 2009

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

For any other use of this material please write to Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU or e-mail: licensing@opsi.gov.uk

Contents

Pages 5-9

Department for Regional Development:
Road Openings by Utilities

Glossary of Abbreviations

DFP Department of Finance and Personnel

DRD Department for Regional Development

GB Great Britain

NIAO Northern Ireland Audit Office

NIRAUC Northern Ireland Road Authority and Utility Committee

NISRANS Northern Ireland Street Works Register and Notification System

PAC Public Accounts Committee

Ninth Report

Department for Regional Development

Road Openings by Utilities

Introduction

The Department for Regional Development (DRD) welcomes the reports by the Northern Ireland Audit Office (NIAO) and Public Accounts Committee (PAC), which in addition to highlighting a number of areas of concern and areas for improvement, also acknowledges significant improvement in DRD's management of road openings by utilities and in the performance of the utilities in reinstating the road surfaces following completion of works.

It is accepted however, that more work needs to be done to improve performance, not just on reinstatements but also on consultations with local residents, businesses and elected representatives to ameliorate any negative impacts of Street Works, where this is possible.

Following the Committee's report, Roads Service:

- has written to the heads of each of the main utility companies drawing their attention to the concerns expressed by the Committee and its continuing interest in this issue and desire for improved performance; detailing the areas where improved performance is expected; and advising that Roads Service will be adopting a more robust and pro-active approach to the management of road openings;
- has had further meetings with senior managers in some utility companies to discuss performance and, where appropriate, agree action plans to improve performance; and
- is developing new arrangements for enhancing its management of road openings by utilities, including enhancing its internal structures and implementing the new Northern Ireland Street Works Register and Notification System (NISRANS) database which will allow it to monitor and report on the performance of utilities.

PAC Recommendation 1

Acceptance of Public Accounts Committee recommendations in a Memorandum of Reply places a significant obligation on departments. In this case, the monitoring mechanisms failed to identify that not all recommendations had been implemented in full or in a timely manner. The Committee recommends that the Accounting Officer must satisfy himself that the arrangements he now has in place will ensure this does not happen again.

DRD agrees with the Committee that acceptance of its recommendations places a significant obligation on a department.

Within DRD progress against the Committee's recommendations is:

- monitored and reported on a quarterly basis to the Departmental Audit Committee;
- reported annually to the Department of Finance and Personnel (DFP); and
- considered by the Accounting Officer as part of the process for preparing the Department's Statement on Internal Control.

DRD's Accounting Officer is satisfied that he has robust arrangements in place to ensure that agreed recommendations are implemented in a full and timely manner.

PAC Recommendation 2

The Department and Roads Service should not be bound inextricably to timescales in Great Britain. It is now clear that it may be well into 2010 before a new Code of Practice will be agreed in GB and it is only then the Department will put in place necessary legislation which could improve utilities' performance. The Committee believes that Roads Service should be leading good practice in this area and recommends that it establishes new, interim arrangements, if necessary on a pilot basis, in advance of the GB Code.

DRD agrees with the Committee that neither it nor Roads Service should be bound inextricably to timescales in Great Britain (GB). DRD recognise the benefits that can accrue from following work undertaken by its GB counterparts, as such an approach can lead to significant resource savings. However, it also acknowledges that this must be viewed in the context of the impact of such a delay on improving the performance of utilities in Northern Ireland.

Roads Service will closely monitor developments in GB and will decide, by end December 2009, whether to proceed with interim arrangements or introduce further legislation ahead of GB.

Improving consultation and minimising disruption

PAC Recommendation 3

Utilities are expected to consult with local residents and businesses and take action to ameliorate negative impacts where possible. In many cases, this does not appear to be happening effectively. The Committee recommends that Roads Service periodically consults businesses affected by ongoing road works and seeks feedback from them to ensure their views have been taken into account and whether utilities have sought to offset the negative effects as far as possible.

DRD notes the Committee's comments and fully supports its views on the need for utilities to consult with residents and businesses prior to undertaking road openings to minimise the disruption and negative impact caused by street works.

Roads Service will establish a procedure, whereby local residents and businesses affected by ongoing major Street Works are surveyed on a sample basis to ensure that utilities have consulted prior to works starting and have sought to mitigate any negative effects of the planned works and to seek feedback to ensure that their views have been taken into account.

PAC Recommendation 4

Complaints from the public and the views of elected representatives are a key barometer of service delivery. The Committee recommends that such information is collated, analysed and responded to in a systematic manner and reported to senior management of the Roads Service.

DRD accepts the Committee's recommendation and agrees that complaints from the public and the views of elected representatives are a key barometer of service delivery.

In view of this, Roads Service will add Street Works specific criteria to its current system, which collates and analyses communications relating to many key maintenance activities such as defect response performance and winter service. This key information will continue to be reported to the Roads Service Board on a regular basis to identify trends and rectify shortcomings in the performance of the utilities.

PAC Recommendation 5

The lack of co-ordination experienced by elected representatives in their constituencies may be indicative of a deeper-rooted problem within an engineering-led organisation such as Roads Service. The Committee recommends that the Agency appoints a senior manager to completely review the customer interface with its stakeholders and the public and to develop and implement an action plan to improve external relationships. If Roads Service lacks the necessary customer relations skills in-house, the Department should consider an outside appointment to strengthen the senior management team.

DRD notes the Committee's recommendation. Roads Service will appoint a senior manager from outside the engineering discipline to review the customer interface with its stakeholders and the public and to develop and implement an action plan to improve external relationships where this is necessary.

PAC Recommendation 6

The high levels of late notifications, particularly by NI Water, are unacceptable and the system for reporting them is not transparent. The Committee recommends that Roads Service ensures its new NISRANS system can accurately identify late notifications and that these are monitored and reported on regularly.

DRD accepts the Committee's recommendation and agrees that the current level of late notifications, including those by NI Water, is unacceptably high. The new NISRANS will be launched during May 2009 and will further increase Roads Service's ability to oversee and regulate road openings by utilities. It will allow Roads Service to monitor and more accurately identify late notifications and report performance to senior management within Roads Service.

PAC Recommendation 7

Roads Service is due to secure new powers to enable it to impose Fixed Penalty Notices for late or nonnotification. The Committee recommends that after careful forewarning these powers are enforced rigorously and would like a report from Roads Service on the number and value of Fixed Penalty Notices imposed in the first full year after they become operational. However, in the interim, the Committee recommends that Roads Service use the available legislation to prosecute utilities for repeated late notifications.

DRD accepts the Committee's recommendation. Roads Service will use the available legislation to prosecute utilities with an unacceptably high proportion of late notifications. When the relevant legislation is in place, Roads Service will impose Fixed Penalty Notices for late or non-notification and will advise the Committee on the number and value of Fixed Penalty Notices imposed in the first full year after they become operational.

Reinstating roads to the required standard

PAC Recommendation 8

The Department signed up to an ultimate aim of reducing the coring failure rate to 10%. It is disappointing that, 7 years later, this has still not been achieved. The Committee recommends that Roads Service sets a specific timeframe within which this 10% target is to be met.

DRD accepts the Committee's recommendation. Roads Service will formally advise all utilities at the June meeting of the Northern Ireland Road Authority and Utility Committee (NIRAUC) that the 10% coring target is to be met before the end of December 2011. Roads Service will improve arrangements for monitoring the performance of the utilities and will work closely with them to improve their performance.

PAC Recommendation 9

Roads Service has a clear responsibility to ensure that high amenity surfaces in town centres are properly reinstated to the required standard first time and not left for years in a state of temporary repair. The Committee recommends that specific monitoring arrangements are put in place to track the quality of reinstatement in such areas. Where temporary reinstatements are appropriate, action should be taken to reinstate to the required standards within a reasonable, pre-determined timescale.

DRD notes the Committee's recommendation. Roads Service has no specific legislative powers to require utilities to complete first time permanent reinstatements in high amenity surfaces in town centres. However, Roads Service will put in place specific monitoring arrangements to track the quality of reinstatement in high amenity surface areas. Roads Service will seek a voluntary agreement with the utilities through the NIRAUC to reinstate high amenity surfaces in town centres permanently first time or to replace all temporary reinstatements within eight weeks.

PAC Recommendation 10

Minor rural roads are inherently more vulnerable to damage from road openings and maintaining their structure is of vital importance to the local communities they serve. When its new legislation comes into force, the Committee recommends that Roads Service takes robust action to ensure that utilities carry out halfwidth or, preferably, full-width reinstatements as required to ensure the integrity of rural roads is maintained in full.

DRD accepts the Committee's recommendation and agrees that rural roads are of vital importance to the local communities they serve. When the new legislation is in force, Roads Service will ensure that utilities carry out reinstatements, whether half or full width as required, to ensure the integrity of rural roads is maintained in full.

PAC Recommendation 11

The recent and planned developments outlined by the Accounting Officer in relation to NI Water are welcome, but late. While the Committee is pleased to note the improvements over recent years, it is not acceptable that a Government-owned Company should be the worst performing utility in terms of the quality of reinstatement. The Committee recommends that the recently introduced senior management meetings between the Department, Roads Service and NI Water are used to establish specific actions for improving reinstatement performance and holding NI Water to account.

DRD accepts the Committee's recommendation. Meetings between DRD, Roads Service and NI Water will focus on specific actions that will assist in improving NI Water's performance as regards reinstatements. They will also be used to monitor improvements in performance and ultimately to ensure that NI Water is being held to account.

PAC Recommendation 12

The low level of follow-up on inspection defects to date is unacceptable and sends entirely the wrong message to utilities – that if they fail to issue a warranty notice or to put right a defect, they will not be pursued. When Roads Service's inspection activities identify reinstatement defects, these must be addressed. The Committee recommends that Roads Service adopts a more pro-active approach to following-up reinstatement defects, and uses its new NISRANS system to accurately track utilities which have not remedied such defects.

DRD notes the Committee's recommendation. Roads Service will be more pro-active in following-up reinstatement defects and as of May 2009, it will utilise the new NISRANS system to accurately track and pursue utilities that have not remedied such defects.

Operating a robust and effective reporting regime

PAC Recommendation 13

A high incidence of emergency and urgent works impinges on Roads Service's ability to co-ordinate street works and to undertake its inspection process and NI Water contributes disproportionately to this issue. The Committee recommends that Roads Service undertakes a risk-based sample check on all utilities' notifications to ensure they are fully complying with the Code of Practice classification and that there is no abuse of the notification system.

DRD accepts the Committee's recommendation. As of September 2009, Roads Service will undertake a risk-based sample check on all utilities' notifications to ensure they are fully complying with the Code of Practice classification and that there is no abuse of the notification system.

PAC Recommendation 14

The Committee expects utilities to achieve the 10% threshold established in the Inspection Code of Practice. Where the partnership approach preferred by Roads Service does not result in utilities meeting the 10% rate, the Committee recommends that Roads Service deals with such utilities robustly and transparently by making use of Improvement Notices.

DRD notes the Committee's recommendation. Roads Service agrees that utilities that fail to perform should be dealt with in a robust and transparent manner and undertakes to ensure that a process is put in place that will facilitate this aim. However, Roads Service has recently been advised by the National Joint Authorities Group, which is the Industry Board for Local Authorities in England, Wales and Northern Ireland, that the use of Improvement Notices in other regions will soon end, as they have failed to demonstrate performance improvements. Where a utility repeatedly fails in its duties to work to the Code of Practice, Roads Service will utilise the powers within the Code to rectify the situation. In cases where public safety is compromised, Roads Service will prosecute. Where problems are related to poor performance, Roads Service will increase inspections, at the cost of the utility, until such time as the pass rate is achieved.

PAC Recommendation 15

Roads Service collects a range of performance information but has not formally published the results. Open and transparent reporting is a pre-requisite in increasing public accountability. The Committee recommends that the Department implements the performance measurement recommendations made at paragraph 3.24 of the C&AG's report. This includes publication of an annual summary of utilities' sample inspection performance results as recommended by the Inspection Code of Practice and the Committee wishes to receive a copy as soon as it is published.

DRD accepts the Committee's recommendation. Roads Service will implement the performance measurement recommendations made at paragraph 3.24 of the Comptroller and Auditor General's report. Roads Service undertakes to publish on its website an annual summary of utilities' sample inspection performance results as recommended by the Inspection Code of Practice. A copy will be sent to the Chairman of the Committee as soon as it is published.

ISBN 978-0-337-09446-0

9 780337 0 9 4 4 6 0

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Fax orders: 0870 600 5533

E-mail: customer.services@tso.co.uk

Textphone: 0870 240 3701

TSO@Blackwell and other Accredited Agents

Customers can also order publications from:

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

Tel 028 9023 8451 Fax 028 9023 5401