

## Partial Business and Regulatory Impact Assessment

### Title of Proposal

The Road Works (Inspection Fees) (Scotland) Amendment Regulations 2015

### Purpose and intended effect

- **Background**

These regulations set the rate of fees that roads authorities may charge in certain circumstances for inspections they carry out on utility company road work reinstatements. The current Regulations were amended in November 2014 to increase the inspection fee to £36. Road authorities carry out a programme of inspections which aims to check on 30% of utility company road work reinstatements in any year.

- **Objective**

The objective of the regulations is to set any inspection fee at an appropriate level. One which helps recover the Road Authority costs, so as to protect budgets and ensure there is resilience to undertake sufficient inspections to effectively monitor the quality of reinstatements while avoiding over recovery which would burden utility companies.

The purpose of consulting on this partial regulatory impact assessment is to consider whether the existing fee is appropriate in terms of recovering roads authorities true costs of conducting an Inspection level seeking views and evidence by the affected parties ie roads authorities and utility companies. If this exercise concludes that the current fee of £36 is correct then new regulations will not be required. On the other hand, where the evidence suggests that the inspection fee ought to be set at a lower or higher figure then these amending regulations will need to be taken forward.

- **Rationale for Government intervention**

The Inspection Fee contributes towards the cost to a roads authority of carrying out inspections on utility company road work reinstatements. The inspection regime helps ensure that reinstatements are properly done, helping ensure the performance of the repaired road surface and the surrounding road construction. This benefits road users and the road authorities responsible for their maintenance. Any change to the existing fee would require secondary legislation.

The inspection by road authorities of utility road works reinstatements contributes towards the following strategic objectives within the National Performance Framework:-

- We live in well-designed, sustainable places where we are able to access the amenities and services we need;

- We value and enjoy our built and natural environment and protect it and enhance it for future generations; and
- Our public services are high quality, continually improving, efficient and responsive to local people's needs.

### **Consultation**

- **Within Government**

The proposals do not impact on any other part of Scottish Government. However, the Scottish Road Works Commissioner, an independent public body, will be consulted and this section will be updated post-consultation.

- **Public Consultation**

A 12 public week consultation will take place between ~~§ 8 August 2014~~ and ~~§ 3 November 2014~~ ~~[Drafting Note – these dates will be finalised after Ministerial approval of the Partial BRIA]~~

- **Business**

The parties affected by the change (roads authorities and utility companies) will be informed directly by email when the consultation launches.

### **Options**

The options are to leave the inspection fee at its current level or amend it in line with the evidence provided by relevant stakeholders. From a roads authority perspective it may be that they feel that the current level of fees does not cover the full cost of carrying out inspections on utility reinstatements. On the other hand, and from a utility perspective they will need to be persuaded that inspection fees are justifiable.

- **Sectors and groups affected**

Roads authorities and utility companies

- **Benefits**

Setting the inspection fee at the appropriate level strikes a balance between cost recovery to roads authorities while at the same time not imposing excessive costs onto utility companies and their customers.

- **Costs**

Previous annual increases have been calculated by applying RPI increases to the existing statutory fee.

An exercise is underway through a consultative working group set up through the Road Authorities and Utilities Committee for Scotland RAUC(S) to gather evidence on the cost to road authorities of carrying out inspections to utility road work reinstatements. The results of that exercise will help inform decisions on whether the current fee needs to be changed and whether it is necessary to progress these regulations.

Any change will only impact directly on utility companies and roads authorities. At this stage we are not aware of what any potential costs might be. The results produced by the working group described above will help inform what the likely costs associated with any change will be and this section of the BRIA will be updated then.

**Scottish Firms Impact Test**

- We do not propose to follow the standard impact test model. Face to face consultations are taking place within the auspices of the working group which has been set up involving both representatives of the road authorities and utility companies. Their outputs will be further considered by the wider Road Authorities and Utilities Committee for Scotland. This section of the BRIA will be finalised post-consultation

**Competition Assessment**

- We will use the Competition & Markets Authority Competition Filter questions to assess the competition impacts of any proposals. If we are able to answer these in the negative we will be able to assert that the proposals will neither directly or indirectly limit the number or range of suppliers, limit the ability of suppliers to compete or reduce suppliers' incentives to compete vigorously. This section will be finalised post-consultation.

**Test run of business forms**

- We do not anticipate that any new business forms will be created but will complete this section post-consultation.

**Legal Aid Impact Test**

we do not anticipate that any proposals which may emerge as a result of the consultation will impact on legal aid but will complete this section post-consultation..

**Enforcement, sanctions and monitoring**

Roads Authorities will be responsible for monitoring and enforcing the Regulations. Inspection fees are invoiced and charged to utility companies using the relevant road authority internal accounting processes.

**Implementation and delivery plan**

Any new Regulations will come into force on 1 April 2015.

- **Post-implementation review**  
The fees will be reviewed in 2016.

**Summary and recommendation**

This section will be completed post-consultation.

- **Summary costs and benefits table**  
A summary costs and benefits table will be completed post-consultation.

**Declaration and publication**

I have read the impact assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

**Signed:****Date:**

28 July 2014.

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