

# Final Business and Regulatory Impact Assessment

<b>Title of Proposal</b>  The Road Works (Inspection Fees) (Scotland) Amendment Regulations 2014
<b>Purpose and intended effect</b> <ul style="list-style-type: none"><li>• <b>Background</b><p>These regulations set the rate of fees that roads authorities may charge for any inspections they carry out on road work reinstatements carried out by statutory undertakers. The current Regulations were amended in November 2012 to increase the Fee to £33. Inspections are undertaken on 30% of works undertaken in any year.</p></li><li>• <b>Objective</b><p>The proposed amendment Regulation would increase the fee for a single inspection from £33 to £36.</p></li><li>• <b>Rationale for Government intervention</b><p>The Inspection Fee contributes towards the cost to a roads authority of carrying out the inspection. The Roads Authority and Utilities Committee (Scotland) (RAUC(S)) – which is a joint committee of roads authorities and statutory undertakers – has written to Transport Scotland seeking an amendment to the Regulations to enable this change.</p><p>The proper inspection of road reinstatements contributes to ensuring our public services are high quality, continually improving, efficient and responsive to people's needs, by protecting the integrity of Scottish roads and reducing traffic congestion</p></li></ul>
<b>Consultation</b> <ul style="list-style-type: none"><li>• <b>Within Government</b><p>The proposals do not impact on any other part of Scottish Government. However, the Scottish Road Works Commissioner (SRWC), an independent public body, was consulted. The SRWC has a standing invitation to attend RAUC(S) meeting and was in attendance at the meeting when the fee was agreed. This helped in the assessment of whether the proposed increase was justifies/reasonable.</p></li><li>• <b>Public Consultation</b><p>Consultation took place during December 2013 and January 2014, ending on 31 January 2014. Five responses were received, all supportive of the increase.</p></li><li>• <b>Business</b><p>The parties affected by the change (roads authorities and utility companies) were informed directly by email when the consultation launched. Three responses were received from businesses.</p></li></ul>
<b>Options</b> <p>The options were:</p> <p><b>Option 1</b> - leave the inspection fee at its current level; or</p> <p><b>Option 2</b> - increase the inspection fee to £36 in line with the proposal made by the road</p>

works community. The proposed increase will add £3.00 to the inspection fee. Previous annual increases have been calculated by applying an RPI increases to the existing statutory fee. The effect of rounding down in the increases applied since 2009 and using the rounded figure as the basis for the next years increase has resulted in the current inspection fee being lower than what it would be if year on year RPI increases are applied to the original 2009 figure. The proposed increase was calculated by using 2009 as a base year and applying year on year RPI increases projected forward to April 2014 as had been agreed by RAUC(S). This process removes the effects of rounding down in calculating previous year's fees year based on applying RPI to the preceding (rounded) statutory fee.

### **Sectors and groups affected**

Roads authorities and utility companies

### **Benefits**

#### **Option 1**

This option would only benefit the statutory undertakers as they would not be contributing to any additional costs of the roads authorities in inspecting works on roads since the time of the last increase.

#### **Option 2**

This option will help contribute towards the cost to roads authorities in carrying out inspection work.

### **Costs**

#### **Option 1**

This option would mean that roads authorities would be unable to recover the increasing costs associated with inspections of statutory undertakers road works.

The increase will only impact directly on utility companies, who through their representative body, RAUC(S) are in agreement that the fee should be increased as proposed in 2014.

The impact on individual businesses in 2014/15 will depend on the number of the number of planned works on the Scottish Road Works Register. However, for illustration, during 2013/14 there are 88,750 planned works in the Scottish Road Works Register. 30% of those works will be inspected by roads authorities, which will raise £878,625 for roads authorities based on the current inspection fee of £33.00. The proposed increase would have generated an additional £79,875 across Scottish roads authorities as a whole.

### **Scottish Firms Impact Test**

The businesses affected by the increase were consulted during the consultation period and did not raise any objections. In addition, the increase was agreed and proposed by their representative organisation RAUC(S). This method of consultation was proportionate in these circumstances.

- **Competition Assessment**

Using the Office of Fair Trading's Competition Filter questions we have concluded 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

- **Test run of business forms**  
No new forms for completion.

**Legal Aid Impact Test**

The Access to Justice team have been consulted and it is not expected this Regulation will have any impact on the Legal Aid Fund.

**Enforcement, sanctions and monitoring**

Roads Authorities will be responsible for monitoring and enforcing the Regulations. RAUC(S) which contains both roads authorities and the utility companies agree with the proposed increase, therefore we do not anticipate non-compliance.

**Implementation and delivery plan**

The Regulations will come into force on 1 April 2014.

- **Post-implementation review**  
The fees will be reviewed in 2015.

**Summary and recommendation**

The proposed increase which will raise inspection fees to £36 is supported by those affected by it, the roads authorities and utility companies which operate in Scotland.

The recommendation, therefore, is to increase the inspection fee from £33 to £36.

- **Summary costs and benefits table**

Option	Total benefit per annum: - economic, environmental, social	Total cost per annum: - economic, environmental, social - policy and administrative
1	No benefits	Costs of roads authorities inspecting works not being met.
2	Costs of roads authorities inspecting work being met.  During 2013/14 there are 88,750 planned works in the Scottish Road Works Register. 30% of those works will be inspected by roads authorities, which will raise £878,625 for roads authorities based on the current inspection fee of £33.00. The proposed increase would have generated an additional £79,875 across Scottish roads authorities as a whole.	Statutory undertakers will pay roads authorities an additional £3 per inspection.

**Declaration and publication**

I have read the impact assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs I am satisfied that business impact has been assessed with the support of businesses in Scotland.

**Signed:****Date:****Keith Brown**  
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