

8. Holistic Streetworks Package (HSP) – Incentivising Reduced disruption from Reactive and Proactive streetworks

Type of proposal

Stretching commitment / New or enhanced service/**Delivery accountability mechanism**

Proposal summary

A Holistic Streetworks Package (HSP) for all DNOs in ED3, combining two complementary incentives: Dig, Fix and Go, which accelerates reinstatement of reactive emergency streetworks, and Collaborative Streetworks, which promotes proactive streetworks coordination across utilities and local stakeholders.

This ensures both reactive and proactive streetworks are incentivised, delivering consumer and environmental benefits, and efficiency gains. It builds on existing ED2 mechanisms—SP ENW’s Dig, Fix and Go and the UKPN/Cadent Collaborative Streetworks initiative—scaling ambition and formalising them as sectorwide incentives¹.

We propose expanding Dig, Fix and Go into a common ODIF across all DNOs. SPENW has demonstrated clear benefits, improving average reinstatement times from 5.8 days in ED1 to 4.7 in 2023/24 and 4.4 in 2024/25, saving 4,744 and 5,108 days of disruption respectively. Mirroring this mechanism, with licence and ED3 specific targets, as well as symmetrical rewards/penalties, will enhance equity and strengthen investment signals.

We propose introducing the Collaborative Streetworks Incentive to GMCA², with criteria and targets for further adoption in other areas [REDACTED]. Each DNO should commit to expand coverage with a target of at least two during ED3. Ofgem would approve activation during expansion windows against set eligibility criteria³.

Which ED3 outcomes does the proposal support? (confirm all that apply)

Investing for the energy transition/ Responsible and sustainable business/ Smarter networks/ Resilient networks

Which Consumer Interest Pillars does the proposal support? (confirm all that apply)

Low cost transition/ Fair prices/ Quality and standards/ Resilience

¹ In the case of collaborative streetworks, applicability of incentive requires qualifying criteria to have been met

² Greater Manchester Combined Authority

³ Eligibility criteria could include: (1) formal commitments from authorities, (2) evidence of stakeholder engagement, (3) demonstrated coordination capability, (4) clear activation plans, (5) transparent reporting commitments, (6) alignment with net zero and mobility goals, and (7) identification of at least two collaborative projects in ED3.

Summary of key reason(s)/driver(s) for the proposal

Current arrangements lack a unified regulatory driver to deliver transformational improvements across reactive emergency works and proactive coordination. Consumer research highlights frustration at repeated, poorly coordinated streetworks. Customers want fewer, shorter interventions, better disruption management, and visible benefits that justify disruption and demonstrate value. Stakeholders⁴ want stronger coordination to minimise disruption, keep traffic flowing, and leave a positive legacy for communities.

The HSP combines two proven mechanisms:

- **Dig, Fix and Go**, which reduces reinstatement times for emergency works, and
- **Collaborative Streetworks**, which enables utilities and authorities to coordinated planned streetworks.

While complementary, the mechanisms cannot be merged due to the immediate requirements of emergency repairs versus the planned nature of collaborative schemes. Bringing the two mechanisms together makes a clear commitment to reduce the impact of streetworks.

Reinstatement times vary across licence areas, exceeding customer expectations of faster reinstatement. Without targeted incentives, transformational improvements are unlikely. A common, fair, and scalable ODIF—calibrated considering regional performance, change in streetworks requirements, and stakeholder valuations—would drive improvements, support productivity and reduce emissions.

Proactive collaboration remains underincentivised. Introducing a financial ODI focused initially on London and GMCA—regions with demonstrated readiness— unlocks consumer benefits, reduces congestion, and aligns with net zero ambitions.

Summary of supporting evidence (Examples could include references to sector specific intelligence, innovation projects, ISG engagement, wider consumer research, endorsement from third parties)

Strong evidence underpins the HSP. SPENW's ED2 ODI⁵ and UKPN's ED2 business plan commitment⁶ both demonstrated clear consumer support and valuation for reduced disruption, reinforced by willingness-to-pay research showing strong preferences for faster reinstatement and coordinated works. GD3 SSMD also commits to expanding collaborative streetworks through an

⁴ including local authorities

⁵ Annex 7: Bespoke Outcome Delivery Incentive – Dig, fix and go: Our emergency work commitment, ENWL, December 2021

⁶ Placing customers and communities at the heart of Net Zero, RIIO-ED2 Business Plan 2023 – 2028, UKPN, December 2021

ODIF⁷, reflecting broad stakeholder backing. Evidence from GLA⁸ and GMCA^{9,10} highlights readiness and willingness to adopt proactive engagement, with further interest emerging across other regions.

The reactive element builds on SPENW's ED2 incentive¹¹, informed by extensive engagement with CEGs, local authorities and public panels. Supporting evidence includes willingness-to-pay research¹², [REDACTED], and SPENW's Social Return on Investment analysis indicating returns of up to £15.77 per £1 spent. If selected, ED3-specific evidence would be developed to demonstrate the value of expanding to all DNOs.

For proactive works, the Collaborative Streetworks, in ED2 demonstrated strong consumer valuation, while GD3 SSMD cites societal benefits and stakeholder support. London's Infrastructure Coordination Service evidences disruption and carbon savings, and GMCA's proactive work with all regional utilities, including SPENW, positions it for early adoption. ED3-specific benchmarking, engagement and SROI analysis will further validate benefits and support calibration.

Summary of potential benefits

The HSP builds on proven ED2 approaches—SP ENW's Dig, Fix and Go and UKPN's Collaborative Streetworks commitment—both of which have demonstrated effectiveness in reducing disruption and improving coordination. The package delivers clear consumer benefits by minimising the duration and frequency of streetworks, reducing noise, air pollution and travel delays, and improving daily experiences for residents, commuters and businesses. By formalising a sector-wide approach, it enhances equity, ensuring consistent service levels across licence areas and across both reactive and proactive works.

The HSP strengthens efficiency by enabling faster reinstatement and coordinated planning, cutting duplication, reducing costs for utilities and local authorities, and accelerating delivery. Fewer excavations and shorter work durations deliver environmental benefits through lower machinery emissions and reduced congestion, supporting national and regional decarbonisation goals. Reduced disruption to transport networks and business operations provides significant economic benefits, protecting productivity and supporting regional growth.

The framework also has strong societal impact, improving urban mobility and reducing congestion. Its design allows scalability, enabling additional authorities to adopt the model during ED3 and providing a pathway to wider rollout. Robust transparency—including public reporting, defect

⁷ RIIO 3 Final Determinations – Gas Distribution <https://www.ofgem.gov.uk/sites/default/files/2025-12/RIIO-3-Final-Determinations-GD.pdf>

⁸ GLAs ED3 SSMC response highlights the opportunities in ED3 of the RIIO-ED2 Collaboration Incentive which has facilitated the successful collaboration of multiple utilities and stakeholders in delivering infrastructure works, minimising disruption and generating cost savings.

⁹ GMCA letter to Jonathan Brearley, 13 May 2025

¹⁰ GMCA ED3 SSMC response asks that ED3 explicitly incentivises Collaborative Street Works, building on London's regulatory precedent to reduce disruption, accelerate net-zero delivery and maximise social value.

¹¹ Annex 7: Bespoke Outcome Delivery Incentive – Dig, fix and go: Our emergency work commitment, ENWL, December 2021

¹² Annex 7: Bespoke Outcome Delivery Incentive – Dig, fix and go: Our emergency work commitment, ENWL, December 2021, Section 6

monitoring and clear outcome tracking—builds trust and ensures accountability to consumers, local authorities and stakeholders.

Where the proposal relates to a new or enhanced service or to stretching commitments, explain why the proposal is not already business as usual or incentivised either through the existing RIIO-ED2 framework or under ED3 proposals that we are consulting on

Current ED2 arrangements don't provide a unified or scalable framework for improving reactive and proactive streetworks. Existing mechanisms are voluntary, fragmented and geographically limited, meaning improvements occur sporadically and consumer benefits are not consistently realised. HSP introduces a formal, sectorwide approach that combines two proven mechanisms within one structured framework, setting performance targets, expansion milestones and eligibility criteria.

For reactive works, current ED2 mechanisms—aside from Dig, Fix and Go—do not incentivise transformational reductions in emergency streetworks duration. Existing penalties, such as Section 74 charges, neither fund service improvements nor reflect consumer value. [REDACTED]

[REDACTED] The proposal introduces a financial ODI calibrated to willingness-to-pay, with no baseline funding, addressing a gap not covered elsewhere in ED3. Without this incentive, improvements are unlikely due to cost, operational complexity and the absence of regulatory drivers.

For proactive collaboration, current ED2 mechanisms also lack financial incentives, resulting in limited and inconsistent delivery. The proposal introduces a formal ODI within the holistic package, ensuring coordinated planning and delivery across regions. Without this, collaboration will remain fragmented and consumer benefits will not be realised.

Where the proposal relates to a new or enhanced service, explain why DNOs are best placed to undertake the activity described under the proposal

DNOs are uniquely positioned to drive both faster reinstatement of emergency works and effective proactive collaboration. They hold permits, manage contractors, and interface directly with local authorities, giving them the operational levers to influence reinstatement speed through resource deployment, technology investment, and improved working practices.

Embedding the HSP within DNO operations ensures accountability, transparency and scalability, with established compliance frameworks and inspection regimes helping maintain quality while delivering improvements aligned with stakeholder priorities. DNOs are best placed to balance cost, quality and speed in ways that reflect consumer and local authority expectations.

For proactive collaboration, DNOs also have the ability to coordinate planning and resource allocation with other utilities, enabling efficient joint delivery. The incentive will initially apply in London and GMCA—regions demonstrating strong readiness—while recognising interest from areas [REDACTED] Each DNO will be expected to expand coverage to additional authorities during ED3, with activation approved by Ofgem during defined expansion windows. Eligibility criteria include:

- formal commitments from authorities,
- evidence of active stakeholder engagement,
- demonstrated coordination capability,

- clear activation plans,
- transparent reporting commitments,
- alignment with net zero and mobility goals, and
- identification of at least two collaborative projects in ED3.