

LONDON BOROUGHS OF CROYDON AND LEWISHAM

STREET LIGHTING JOINT COMMITTEE

To: **Representing the London Borough of Croydon**
Councillor Kathy Bee, Cabinet Member for Transport & Environment
Councillor Stuart Collins, Deputy Leader - Cabinet Member for Clean Green Croydon

Representing the London Borough of Lewisham
Councillor Kevin Bonavia, Cabinet Member for Resources
Councillor Alan Smith, Deputy Mayor of the London Borough of Lewisham

A meeting of the **LONDON BOROUGHS OF CROYDON AND LEWISHAM STREET LIGHTING JOINT COMMITTEE**, which you are hereby summoned to attend, will be held on **Thursday 19th March 2015** at **7:00pm**, in **Room G4** in **The Town Hall, Katharine Street, Croydon CR0 1NX**.

JULIE BELVIR
Council Solicitor & Monitoring Officer,
Director of Democratic & Legal Services,
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk
CR0 1EA

MARGOT ROHAN
Senior Members Services Manager
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www.croydon.gov.uk/agenda
4 March 2015

This is the meeting rescheduled from 4 March 2015.
Members of the public are welcome to attend this meeting. If you require any assistance, please contact MARGOT ROHAN, as above.

AGENDA - PART A

1. Minutes of the meeting held on Tuesday 11th November 2014 (Page 1)

To approve the Part A minutes as a true and correct record.

2. Apologies for absence

3. Disclosure of Interest

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality in excess of £50. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Business Manager at the start of the meeting. The Chairman will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

4. Urgent Business (if any)

To receive notice from the Chair of any business not on the Agenda which should, in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

5. Exempt Items

To confirm the allocation of business between Part A and Part B of the Agenda.

6. Joint Street Lighting PFI Update (Page 5)

The joint report of the Acting Executive Director, Place (Croydon) and Executive Director, Resources & Regeneration (Lewisham) is attached.

7. Street Lighting Contract Monitoring - Scrutiny Review (Page 19)

The report of the Acting Executive Director, Place (Croydon) and appendices are attached.

8. Camera Resolution

To resolve that, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

AGENDA - PART B

B1. Part B Minutes of meeting held on 11 November 2014 (Page 105)

To approve the Part B minutes as a true and correct record.

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LONDON BOROUGH OF CROYDON AND LEWISHAM

STREET LIGHTING JOINT COMMITTEE

Meeting held on Tuesday 11 November 2014 at 6:30pm in Room F10 The Town Hall, Katharine Street, Croydon CR0 1NX

DRAFT MINUTES - PART A

Present: **Representing the London Borough of Croydon**
Councillor Kathy Bee, Cabinet Member for Transport & Environment
Councillor Stuart Collins, Deputy Leader - Cabinet Member for Clean Green Croydon

Representing the London Borough of Lewisham
Councillor Alan Smith, Deputy Mayor of the London Borough of Lewisham

Absent: Councillor Kevin Bonavia (Lewisham - Cabinet Member for Resources)

Apologies: Councillor Kevin Bonavia (Lewisham)

A1 Appointment of Chair and Vice-Chair

The Committee Manager requested nominations for Chair. Councillor Stuart Collins was proposed by Councillor Alan Smith and seconded by Councillor Alan Smith. The Committee voted unanimously in favour and Councillor Stuart Collins was duly elected Chair for the Municipal Year.

The Chair requested nominations for Vice-Chair. Councillor Alan Smith was proposed by Councillor Stuart Collins and seconded by Councillor Kathy Bee. The Committee voted unanimously in favour and Councillor Alan Smith was duly elected Vice-Chair for the Municipal Year.

A2 Minutes of the meeting held on Tuesday 25th March 2014

RESOLVED that the Part A minutes of the meeting of the London Boroughs of Croydon and Lewisham Street Lighting Joint Committee held on 25 March 2014 be signed as an accurate record.

A3 Disclosure of Interest

There were no disclosures of a pecuniary interest not already registered.

Councillor Alan Smith declared a personal interest, as his partner works for UK Networks, although not directly connected with this contract.

A4 Urgent Business (if any)

There was no urgent business.

A5 Exempt Items

RESOLVED that the allocation of business between Part A and Part B of the Agenda be confirmed.

A6 Joint Street Lighting PFI Update

(N.B. Councillor Alan Smith declared a personal interest as in **A3/14**)

The following points of the performance standards were highlighted:

- PS1 - Investment Programmes - contract has milestones set every 6 months.
 - Milestone 6 happened end July, when 20,960 street columns should have been removed.
 - There are issues around resources and the cable network and Skanska is behind by 7,500 lights.
 - A number have not had the power supply fitted.
 - Working with Skanska to improve productivity.
 - UK Power Networks and Skanska have entered into an agreement.
 - Skanska will recover but envisages being 6 months late - finishing January 2017, instead of July 2016.
 - Not optimistic this will be achieved.
 - Improvement plan in place.
 - Delay affects Croydon more than Lewisham - mainly due to the type of cable networks.
 - Milestone termination points - rejected milestone 5. If 3 concurrent termination points then contract defaulted.
- PS2 - Planned Maintenance, Inspection and Testing - more faults this time of year.
 - Every two weeks check street lights.
 - Improvement over last few months but likely to drop down again over winter months.
- PS6 - Working Practices - Number of places where holes are dug but columns not put in for a long time.
 - Monitor regularly.
 - Residents are sensitive about footway obstructions.

A7 **Camera Resolution**

Councillor Kathy Bee moved the camera resolution and the committee **RESOLVED** that the Press and public be excluded from the remainder of the meeting on the grounds that it was likely, in view of the nature of the business to be transacted or proceedings to be conducted, that there would be disclosure of confidential or exempt information falling within paragraphs 3 & 5 as indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

A8 **PART B – SUMMARY of proceedings of exempt part**

RESOLVED that the Part B minutes of the meeting of the London Boroughs of Croydon and Lewisham Street Lighting Joint Committee held on 25 March 2014 be signed as an accurate record.

There was a discussion about substantial financial adjustments which have been made due to poor performance.

The meeting ended at 7pm

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REPORT TO:	CROYDON AND LEWISHAM STREET LIGHTING JOINT COMMITTEE 19 MARCH 2015
AGENDA ITEM:	6
SUBJECT:	THE JOINT STREET LIGHTING PFI UPDATE
LEAD OFFICERS:	CROYDON: EXECUTIVE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT LEWISHAM: EXECUTIVE DIRECTOR FOR RESOURCES AND REGENERATION
CABINET MEMBERS:	CROYDON: COUNCILLORS KATHY BEE AND STUART COLLINS LEWISHAM: COUNCILLORS ALAN SMITH AND KEVIN BONAVIA
WARDS:	ALL
Corporate Priority / Policy Context:	
Improving street lighting supports Croydon Council's corporate priorities of improving the environment and reducing crime and Lewisham Council's corporate priorities of clean, green and liveable, and safety, security and a visible presence.	
Financial Summary:	
Noting the recommendations in this report will reflect the agreement made by Croydon and Lewisham Council to the sums set out in the P.F.I contract agreement. Each authority has made plans as it considers appropriate for the financial implications of the project. No additional expenditure is proposed as a result of this report.	
Forward Plan Key Decision Reference Number: N/A	
Not for publication	
N/A	

1. Recommendations:
The Committee is asked to note
<ol style="list-style-type: none"> 1. the performance of Service Provider in respect of the street lighting PFI for October 2014 – January 2015 2. the Core Investment programme for both Croydon and Lewisham for the duration of the 5 year programme.

2. Executive Summary

2.1. This report advises the Committee of the progress of the Core Investment Programme (CIP) and the overall performance of the Service Provider during October 2014 – January 2015.

3. Detail

3.1. Operational Performance Standards Overview

3.1.1. The Output Specification for this contract defines both councils' requirements for the Service that the Service Provider shall provide pursuant to this Contract. The Performance Standards within specify the required outcome, service delivery, performance requirements and measurement criteria in respect of each part of the Service.

3.1.2. The Service Provider shall perform the service in accordance with the following Performance Standards:

3.2. PS1 - Investment Programmes

The Service Provider shall design and install new apparatus during the five year CIP across both councils to the current British Standards and contract specification. The following table illustrates the Milestones for achieving this:

The project calendar has just reached Milestone 7 at 31st January 2015, which is highlighted below:

Milestone	Milestone Completion Date	Total Lighting Points removed
1	6 months after planned service commencement date	207
2	12 months after planned service commencement date	3,107
3	18 months after planned service commencement date	7,148
4	24 months after planned service commencement date	12,009
5	30 months after planned service commencement date	16,885
6	36 months after planned service commencement date	22,915
7	42 months after planned service commencement date	28,940
8	48 months after planned service commencement date	34,316
9	54 months after planned service commencement date	39,683
10	60 months after planned service commencement date	46,665

Appendix 1 provides a planned ward by ward breakdown of the CIP for each borough.

Below is the updated table of certified column removals to date on both Boroughs:

Month	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015
Cumulative lighting points removed	16,060	17,004	18021	19007	19901	20944
Additions (month by month).	639	944	1017	986	894	1043

** This is the number actually achieved at Milestone 7 (31 January 2015) therefore a shortfall of 7,996 lighting points removed based on the contractual Milestone.

To date the total number of new apparatus designed and issued for construction is 27,995 units of which 25,511 units have been installed.

The concern for all parties has been the time taken to connect the new street lights to the "Triple Concentric" UKPN cable, this cable has been identified in two thirds of the borough of Croydon. To work on this cable UKPN need to carry out a controlled shutdown which also affects household supplies. The shutdown period is limited to minimise the disruption to household supplies and therefore limits jointing works completed each day. UKPN and the Service Provider have now entered into "Asset Owner Agreement", this will enable the Service Provider to deploy more of their jointers on this project and this is expected to improve performance but at this stage the level of improvement is not expecting to recover the current projection..

The Service Provider was charged with the development of an improvement plan focusing on recovering the slippage to the programme. The plan consists of both a best case and likely case scenario, the table below outlines the expected achievement dates of each Milestone going forward and reviewed on a monthly basis. In light of the Asset Owner Agreement being approved and the ongoing delays with the Core Investment Programme the Service Provider have been asked to review the improvement plan and provide an update

Milestone Number	Quantity	DUE	Expected Case	Base Case
M1	207	31/01/2012	0	0
M2	3,107	31/07/2012	3 months	3 months
M3	7,143	31/01/2013	5 months	5 months
M4	12,009	31/07/2013	8 months	9 months
M5	16,885	31/01/2014	7 months	8 months
M6	22,915	31/07/2014	7 months	9 months
M7	28,940	31/01/2015	6 months	10 months
M8	34,316	31/07/2015	6 months	11 months
M9	39,683	31/01/2016	5 months	11 months
M10	46,665	31/07/2016	6 months	15 months

Under the terms of the Contract, “Clause 21 (Relief Events, Compensation Events and Excusing Causes)” failure to achieve a Milestone on time attracts an automatic accrue of a Milestone Default Termination Point (MDTP). The clause provides the Service Provider with the right to seek relief against accrue of a MDTP but only as a result of a failure of the Distribution Network Operator (DNO) (UK PowerNetworks) to carry out any Non Contestable Works. Non Contestable works are those works that can only be undertaken by the DNO.

The Service Provider has sort relief from a MDTP for Milestone 5 and Milestone 6 and both these have been reviewed and declined by the authorities. A letter was sent to Service Provider explaining the decision of which the authority are waiting for a reply. If the Service Provider does not accept this decision, then it has a right to refer the matter as a dispute to an independent expert under the terms of the Project Agreement.

As a result of the delays in the delivery of the Core Investment Programme and the associated complications arising from the “triple concentric main”, the Service Provider has produced an improvement plan. This improvement plan outlines the steps being taken to recover the programme and is reviewed monthly. A number of steps have been taken, such as pulling the core investment programme forward for wards in years 4 & 5 for both boroughs and particularly where the triple concentric main is not present in Croydon, such as Coulsdon East and Coulsdon West.

The success of the Service Provider obtaining Independent Connections Provider “ICP” status with the Asset owner Agreement, is fundamental to the Project being able to achieve the mitigation programme and reduce delays.

The northern two thirds of Croydon’s old street lighting is connected to a dedicated street lighting cable known as the “Croydon Central System” (CCS), this cable network is owned and maintained by UK PowerNetworks. The cable is being abandoned as part of this replacement programme. The CCS is extremely complex and needs to be disconnected section by section to ensure the integrity of the remaining network can be maintained. As a result there is a need to leave in place temporary feeder pillars, it is expected that these are removed at the earliest opportunity. The Service Provider continue to work closely with UK PowerNetworks to actively remove these as soon as possible.

3.3. PS2 - Planned Maintenance, Inspection and Testing;

This Performance Standard covers planned maintenance, inspection and testing of street lighting equipment. Routine scouting of street lights is undertaken and the performance is measured over a four-month period.

The table below illustrates the overall performance over the last 4 months of which up until January 2015 the Service Provider has achieved the required level of 99% lights in light on four consecutive months therefore no financial adjustment has occurred.

	January 2015	December 2014	November 2014	October 2014
(Y) # occasions not In Light	647	568	568	527
(T) # Lighting Points	115,140	115,518	107,510	105,036
^A / _B In Light **	99.438%	99.508%	99.472%	99.498%
In Light:	99.479%			

3.4. PS3 - Operational Responsiveness and Reactive Maintenance;

3.4.1. This Performance Standard covers the operational responsiveness of the Service Provider to attend to faults within the relevant rectification period as illustrated in the tables below.

3.4.2. The tables below illustrate the performance for emergency and non – emergency faults in and out of time for the period of October 2014 – January 2015.

Fault Type	Number of occasions					
	In time					
	Oct 2014	Nov 2014	Dec 2014	Jan 2014		
Emergency faults	115	80	72	106		
Non-Emergency Faults	2053	1743	1283	1475		

Fault Type	Number of occasions					
	Out of time					
	Oct 2014	Nov 2014	Dec 2014	Jan 2014		
Emergency faults	0	1	0	1		
Non-Emergency Faults	0	0	7	4		

Not all emergency call outs for this period were attended in time for which a financial adjustments has been awarded in line with the Payment Mechanism.

The Service Provider have improved to rectify the non-emergency faults in time, however snagging items identified by the Independent Certifier have not been completed within the 20 day rectification period of which financial adjustments were awarded in line with the payment mechanism.

3.5 PS4 - Contract Management and Customer Interface;

For the Service Period, the Service Provider shall provide a customer care and contract management service in accordance with this Performance Standard that includes the development, operation and maintenance of a Management Information System (MIS) and Customer Care System (CCS).

The table below shows telephone calls received by call centre and emergency phone line between October 2014 and January 2015, of which the target is 95% of all calls being answered within 25 seconds. Over this period the performance target has been met of which no financial adjustments have been applied.

Oct 2014	Nov 2014	Dec 2014	Jan 2015			Prescribed response period
799	1014	1095	755			= # calls received by call centre / emergency phone line
796	1013	1092	752			= # answered by a trained call agent within 25 seconds
99.62%	99.90%	99.73%	99.60%			= % answered by a trained call agent within 25 seconds

During this period the Service Provider were answering all calls (in hours) of which direct Response were answering all calls (out of hours)

3.6 PS5 - Strategic Assistance and Reporting;

The Service Provider shall provide relevant, accurate and timely information to the Councils on its performance in relation to the services in Monthly Service Reports and Annual Service Reports to ensure that the strategic assistance and reporting procedures adopted for delivery of the Service:

- (i) enable the Councils to properly monitor the Service and have sufficient data and information to assess accurately what Adjustments, (if any) to the Unitary Charge should be made;
- (ii) allow the Councils to demonstrate that it is achieving its Best Value Duty and continuous improvement in the delivery of the Service; and
- (iii) allow the Councils to regularly review the Service to determine whether it meets current and future needs, consult with users and other stakeholders and benchmark performance against other Service Providers.

Monthly monitoring and Monthly Payment Reports are combined to reduce the administration burden for the councils and are provided by the fifth business day of the month following the month for which the report relates.

3.7 PS6 - Working Practices;

Performance Standard 6 requires the Service Provider to ensure it operates the day-to-day working practices correctly and safely. Categories of the faults relating to these practices are detailed below:

Fault Type		No. of faults Oct 2014	No. of faults Nov 2014	No. of faults Dec 2014	No. of faults Jan 2015		
Urgent service faults	Any Service Failure that: (a) poses a material risk to life; or (b) poses a material risk of damage to person and/or property; or poses a material risk of significant financial loss and/or disruption to the Authority.	0	0	0	1		
Serious service faults	Any Service Failure that is such that it may develop into an Urgent Service Failure if not rectified or attended to in accordance with Good Industry Practice.	0	0	0	0		
Routine service faults	Any Service Failure that is not immediately detrimental or likely to lead to a Serious Service Failure or an Urgent Service Failure, but that, if not rectified or attended to in accordance with Good Industry Practice, may adversely impact on the Service and / or the Authority's reputation and / or the Service Provider's reputation.	100	80	30	50		

Note: Routine service faults: This is taken from the schedule of service failures, where each item is given a point's score. The Authority and the Service Provider have agreed the table to appendix 21 of the Contract, of which any future failures with regards to working practices will be added accordingly.

Over this four month period the Service Provider has not achieved the minimum requirements as set out in the Performance Standard and therefore financial adjustments were awarded in line with the Payment Mechanism. .

3.8. PS7 - Reporting to the Authority;

In order for the Councils to monitor the performance of the Service Provider and to ensure appropriate Monthly Payments are made under the Contract, the Service Provider shall provide accurate and complete reporting to the Councils on how the Service Provider is complying with the requirements of the Output Specification.

Over this period all reports were submitted on time.

3.9 PS9 - Central Management System;

When this contract was awarded both councils opted for a Central Management System (CMS) to be installed to all street lights as part of a “mandatory variant solution”. In technical terms the key difference between the mandatory variant solutions and standard Solutions is that the mandatory variant solution enables lights to be dimmed, or brightened, flexibly, whereas in the standard solution lights will only come on and off at fixed ambient light levels. The advantage of the mandatory variant solutions is its flexibility, and the opportunity that it affords to cut energy consumption and therefore costs or otherwise to respond to policy considerations.

Once the Independent Certifier issues the Certificate of Compliance for the new street lighting on a street by street basis the Service Provider shall ensure that all Replacement CIP Apparatus is connected to and operating on the Central Management System.

For this reporting period across both boroughs there are 17,938 street lighting columns connected to the CMS to date and that have been certified.

4. Human Rights

4.1 There are no human rights impact considerations arising from this report.

5. Consultation

- 5.1 During the mobilisation phase and throughout the CIP, the Service Provider is required to liaise and consult with all relevant bodies, which includes the Councils, its officers, and all other stakeholders.
- 5.2 There is a mechanism built within the Output Specification to ensure that this consultation process takes place.
- 5.3 Notification's to residents are being distributed in advance of works commencing on site. The requirements is to deliver a leaflet to each property 8 weeks prior to works commencement and a further letter 4 weeks prior to works commencing.

6. Financial and Risk Assessment Considerations: Croydon and Lewisham

- 6.1 The structure of the Payment Mechanism includes a payment in arrears for the service. Any under performance in a period will be reflected in a payment adjustment in the following period. A draft Monthly Payment Report is provided to the Councils within five business days of the month for which it is reporting. No later than the end of the month a final monthly payment report is issued to the authority and the authority has 20 business days to settle the account.
- 6.2 As per the Co-Operation Agreement the Joint Committee is required to submit final estimates for approval to the Constituent Authorities no later than November 30th. The Joint Committee is then to set its budget no later than March 15th each year.
- 6.3 The budget for running the Joint Committee itself is minimal and can be contained within the overall project budget or other existing budgets. The contract budget for the year is as set out in the PFI financial model. This budget includes provision for expenditure on the PFI contract itself, the contract monitoring costs and contributions into the sinking fund to even out PFI liabilities over the life of contract, with LBC acting as the lead authority on payments. The PFI sinking fund reserve had a balance of £4.684m, with a contribution of £9.229m due in 14/15, giving an estimated balance as

at 31 March 2015 of £13.913m. Energy costs are paid directly to the respective energy suppliers by the individual authorities and are not part of the sinking fund payment process.

- 6.4 The financial model sinking fund is periodically reviewed to ensure that adequate resources are set aside for future liabilities. The contributions for 14/15 have been adjusted accordingly. These are offset in part by contract performance deductions.

(Approved by: Graham Oliver, Finance Business Partner (D&E), for London Borough of Croydon , Peter Allery Group Manager Resource Finance Lewisham)

7. Comments of the Councils' Solicitors

- 7.1. To align the constituent authorities, the legal teams created two agreements, the Governance Agreement and the Co-operation Agreement.
- 7.2. The Governance Agreement was put in place to set out the joint arrangements for the management of the joint street lighting PFI Project . It details the functions of the Joint Committee, its constitution and decision making powers.
- 7.3. The Co-operation Agreement sets out the detailed arrangements relating to operation matters including how any disputes between the constituent authorities are to be settled and budget provisions to cover the management costs of the Project..
- 7.4 It is the function of the Joint Committee to monitor the operational performance of the Service Provider and to receive reports from the Management Board consisting of two representatives of each constituent authority as to the Service Provider's performance over the last quarter.
- 7.5 The Core Investment Programme is set out in Schedule 5 to the Project Agreement. This sets out the timing for replacement of the existing Apparatus during the first five years. It also sets out what needs to be included in the Core Investment Programme which must take into account significant transportation projects and other programmes or works. The Core Investment Programme is revised every three months or amended as necessary.
- 7.6 The Service Provider is obliged to complete its replacement of lighting columns and removal of existing lighting columns by Milestone Completion Dates (Projected). These are set out in a table in the Project Agreement . The Independent Certifier issues a Milestone Certificate on the date that the Service Provider completes each Milestone. If the Service Provider fails to achieve a Milestone then a Milestone Default Termination Point accrues which is cancelled once that Milestone is achieved. If the final Milestone remains uncompleted then further Milestone Default Termination Points accrue at a rate of one every 180 days.
- 7.7 If three or more Milestone Default Termination Points accrue then the Authority may terminate the Project Contract. This point has not yet been reached.
- 7.8 The Service Provider is also entitled to claim relief in failing to achieve a Milestone Completion Date due to a failure by the Distribution Network Operator (UKPN). A waiver was given for Milestone 4 but not for Milestone 5 for which a claim has just been received reviewed and declined

7.9 Adjustments (i.e. deductions) can be made from the Unitary Charge for poor performance against contract standards. These are being made as set out in the body of the Report.

7.10 In addition to the contractual remedies, officers from both Councils have been working co-operatively with the SPV to help it develop an improvement plan and this has resulted in some improvement to the core investment plan which is set out in the SPV's Improvement Plan.

(Approved by: Helen Glass, Principal Lawyer on behalf of the Head of Law, Lewisham, Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor and Monitoring Officer for London Borough of Croydon)

8. Human Resources Impact

8.1. There are no Human Resources considerations arising from this report.

(Approved by: Adrian Prescod, HR Business Partner, for and on behalf of Director of Human Resources, Resources department.)

9. Customer Impact

9.1 The core objective of the street lighting replacement programme, the replacement of the existing aged equipment with a new and well-maintained service, will have a positive impact on the residents.

9.2 It is possible that the roll out of a significant civil engineering project, such as this, affecting the entirety of both boroughs especially during the CIP may be perceived as an unwelcome disruption by some members of the public. However every effort will be made to keep residents informed of works taking place in their area.

10. Equalities Impact Assessment (EIA)

10.1 An Equalities Impact Assessment (EIA) has been undertaken, and there are no specific disadvantages associated with replacing the street lighting in the boroughs. Indeed, the enhanced lighting will be of benefits to all residents and businesses.

11. Environmental and Design Impact

11.1 In October 2010, Croydon also approved the Carbon Management Energy Efficiency Programme (CMEEP 2010-15) with a carbon reduction target of 25% (compared to 2009/10 baseline) to be delivered by 2015. Street lighting represents an approximate 12% share of the total carbon footprint of the council and carbon reduction and energy efficiency in street lighting will contribute significantly to the 25% reduction target. Lewisham Council has a target of a 50% reduction in corporate carbon emissions by 2015/16 from a baseline of 2007/08. This target is supported by a detailed Carbon Management Programme, which incorporates an expectation of reduced emissions from street lighting.

11.2 Reducing carbon dioxide emissions from the Council's own activity including street lighting can deliver financial savings through reduced energy/fuel costs; help achieve percentage CO₂ reduction (25% by 2015) from local authority operations and support the borough wider climate change mitigation target.

- 11.3 Croydon and Lewisham have both registered with the Environment Agency to participate in the mandatory Carbon Reduction Commitment energy efficiency scheme (CRCEES). Recent changes to this scheme mean that from 2012 organisations will have to pay carbon tax to the government to cover their carbon emissions/energy consumption. Initially these will cost £12 per tonne, but future price will be determined by the government as part of the budget process and could be as high as £16/tonne.
- 11.4 Currently the street lighting supply is an un-metered supply (UMS) and not included in the scope of the CRCEES but it has been proposed in the current consultation that street lighting should be included in CRCEES. The CMS functionality will not only help achieve CMEEP target, but will also save money on energy consumption and help to reduce the extra cost of carbon tax once street lighting is included in CRCEES.
- (Approved by; Bob Fiddik, Team Leader Sustainable Development & Energy team)

12. Crime and Disorder Reduction Impact

- 12.1 The general improvement of the street lighting is expected to have a positive impact in the levels of crime and disorder.

13. Freedom of Information/Data Protection Considerations

- 13.1. There are no data protection issues arising from the Project.
- 13.2. The Councils' Procurement Strategy and Tenders and Contracts Regulations are accessible under the Freedom of Information Act 2000 as part of the Councils' Publication Scheme. Information requested under the Act about the specific procurement exercise and contract which are the subject of this report, held internally or supplied by external organisations, will be accessible subject to legal advice as to its commercial confidentiality, or other applicable exemption, and whether or not it is in the best interest to do so.

Contact Officers

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Tony Brooks Director of Environment, Croydon Council
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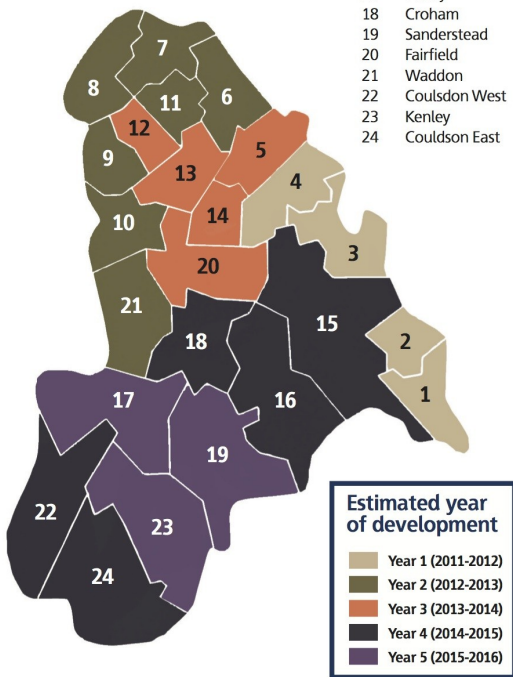
Rob Holmans Director of Programme Management and Property, Lewisham Council
Telephone: 020 8314 7000 Email: rob.holmans@lewisham.gov.uk

Background Documents

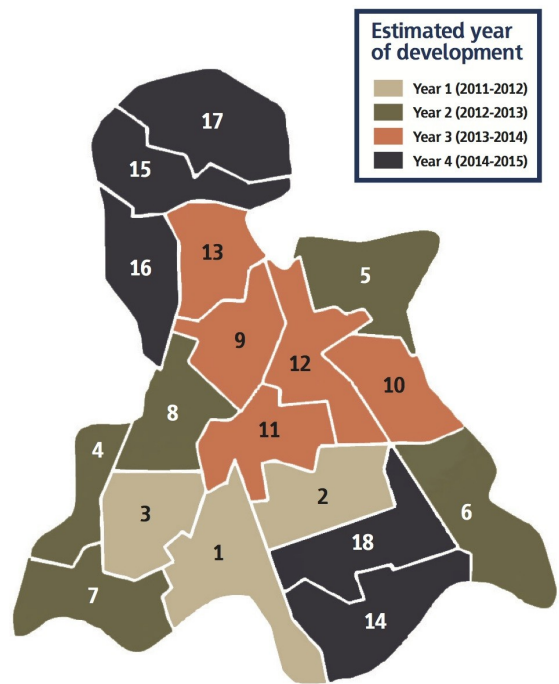
Appendix 1: Core Investment Programme Croydon and Core Investment Programme Lewisham

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|---|---------------|----|--------------------|
| 1 | New Addington | 9 | West Thornton |
| 2 | Fieldway | 10 | Broad Green |
| 3 | Shirley | 11 | Thornton Heath |
| 4 | Ashburton | 12 | Bensham Manor |
| 5 | Woodside | 13 | Selhurst |
| 6 | South Norwood | 14 | Addiscombe |
| 7 | Upper Norwood | 15 | Heathfield |
| 8 | Norbury | 16 | Selsdon & Ballards |
| | | 17 | Purley |
| | | 18 | Croham |
| | | 19 | Sanderstead |
| | | 20 | Fairfield |
| | | 21 | Waddon |
| | | 22 | Coulsdon West |
| | | 23 | Kenley |
| | | 24 | Couldson East |



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|---|---------------|----|------------------|
| 1 | Bellingham | 10 | Lee Green |
| 2 | Catford South | 11 | Rushey Green |
| 3 | Perry Vale | 12 | Lewisham Central |
| 4 | Forest Hill | 13 | Brockley |
| 5 | Blackheath | 14 | Downham |
| 6 | Grove Park | 15 | New Cross |
| 7 | Sydenham | 16 | Telegraph Hill |
| 8 | Crofton Park | 17 | Evelyn |
| 9 | Ladywell | 18 | Whitefoot |



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REPORT TO:	CROYDON AND LEWISHAM STREET LIGHTING JOINT COMMITTEE 19 MARCH 2015
AGENDA ITEM:	7
SUBJECT:	STREET LIGHTING CONTRACT MONITORING – SCRUTINY REVIEW
LEAD OFFICERS:	CROYDON: EXECUTIVE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT LEWISHAM: EXECUTIVE DIRECTOR FOR RESOURCES AND REGENERATION
CABINET MEMBERS:	CROYDON: COUNCILLORS KATHY BEE AND STUART COLLINS LEWISHAM: COUNCILLORS ALAN SMITH AND KEVIN BONAVIA
WARDS:	ALL
Corporate Priority / Policy Context: Improving street lighting supports Croydon Council’s corporate priorities of improving the environment and reducing crime and Lewisham Council’s corporate priorities of clean, green and liveable, and safety, security and a visible presence.	

1. RECOMMENDATIONS
1.1 This report is for information. The Croydon & Lewisham Street Lighting Joint Committee is asked to agree to provide a response at Streets & Environment Scrutiny Sub-Committee on 24 March 2015.

2. EXECUTIVE SUMMARY

The Streets and Environment Scrutiny Sub-Committee received a joint update report from Croydon & Lewisham Street Lighting Limited (Skanska) and council officers relating to **Street Lighting PFI update** at its meeting on 23rd July 2014. A follow up meeting with council officers only at its meeting on Tuesday 2 December 2014.

At these meetings the Streets and Environment Scrutiny Sub-Committee made recommendations to Cabinet which it is asked to consider.

3. DETAIL

The Streets and Environment Scrutiny Sub-Committee, at its meeting on Wednesday 23 July 2014, resolved (Minute number A8/14) – STREET LIGHTING PFI UPDATE:

- That a follow-up agenda item on street lighting be added to the Sub-Committee's work programme.
- That a „walkabout“ be organised in the Addiscombe and Ashburton area to examine works carried out and identify areas for improvement.

The Streets and Environment Scrutiny Sub-Committee, at its meeting on Tuesday 2 December 2014, resolved (Minute number A34/14) – FOLLOW-UP ON SCRUTINY RECOMMENDATIONS: STREET LIGHTING PFI CONTRACT to:

- Refer its amended report to the Cabinet and the Croydon and Lewisham Joint Street Lighting Committee for consideration and a response to its conclusions and recommendations
- Express its concern that the Core Investment Programme work programme, which had been prioritised across wards in the borough to help deliver better road safety, an improved night time environment and economy and to help reduce street crime and anti-social behaviour, had been amended to bring forward 'easy-to-complete' wards while work in high priority wards had not been completed
- Ask officers to maintain pressure on the contractor to complete street lighting implementation in wards where work was already underway as soon as possible
- Note that the council is effectively monitoring the contract and that Skanska Laing is being penalised financially on an on-going basis for delays in delivering the Core Investment Programme
- Express its concerns about the detrimental effect the delays in delivering the Core Investment Programme is having on residents and that this can be directly attributed to Skanska Laing and UK Power Networks
- Seek an apology to the residents of Croydon from Skanska Laing for the delays and disruption they have caused in the delivery of the Core Investment Programme
- Refer the Street Lighting PFI Contract back to scrutiny for a further up-date and report on progress in 2015/16 with a particular emphasis on seeking information about on-going delays, wards completed, stump removal, joint working between Skanska Laing and UK Power Networks in delivering the street lighting replacement programme and the predicted over-run of the Core Investment Programme

- Note however, that overall the new street lighting, once installed and working, provides an improved and beneficial service to the residents of Croydon.

CONTACT OFFICER: Steve Iles, Head of Highways & Parking
020 8726 6000 X 52821

Appendix 1 - Cabinet Extract from Minutes 19 Jan 2015	(page 23)
Appendix 2 - Scrutiny Sub Extract from Minutes 2 Dec 2014	(page 25)
Appendix 3 - Scrutiny Sub 2 Dec 2014 Street Lighting PFI Update Rep	(page 29)
Appendix 4 - Scrutiny Sub 2 Dec 2014 Street Lighting PFI 2014 Report	(page 31)
Appendix 5 - Scrutiny Sub 2 Dec Street Lighting PFI Contract Monitoring	(page 49)
Appendix 6 - Scrutiny Sub Presentation 23 July 2014	(page 57)
Appendix 7 - Scrutiny Sub Extract from Minutes 23 July 2014	(page 83)
Appendix 8 – Report to Scrutiny 23 July 2014	(page 89)

BACKGROUND DOCUMENTS: None

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CABINET

Meeting held on Monday 19 January 2015 at 6.30 p.m. in the Council Chamber, the Town Hall, Katharine Street, Croydon, CR0 1NX

EXTRACT FROM MINUTES - PART A

Present:

Councillor Tony Newman, Leader of the Council;
Councillor Alison Butler, Deputy Leader (Statutory);
Councillor Stuart Collins, Deputy Leader;
Councillors Kathy Bee, Timothy Godfrey, Simon Hall, Toni Letts, Mark Watson and Louisa Woodley. Councillor Shafi Khan deputised for Councillor Alisa Flemming in a non-voting capacity.

Other Majority Group Members in attendance:

Councillors Ali, Audsley, Bonner, Canning, Fitzsimons, Kabir, King, Kyeremeh, Lewis, Mansell, Prince, Rendle and P. Ryan.

Shadow Cabinet Members in attendance:

Councillors Cummings, Gatland, Hale, D. Mead, M. Mead, Perry, T. Pollard and Thomas.

Other Minority Group Members in attendance:

Councillors Bashford, Bird, Brew, Buttinger, Creatura, Hopley, Neal, Speakman and Wright.

Also present:

Seb Dance, Member of the European Parliament for London – for agenda item 6.

Linda Watson, Clean & Green Champion - for agenda item 9.

Absent: Cabinet: Councillor Alisa Flemming.

Apologies: An apology for absence was received from Councillor Alisa Flemming.

Note: The meeting webcast can be accessed [here](#)

A14/15 Recommendations Arising from the Scrutiny & Strategic Overview Committee and the Streets & Environment Scrutiny Sub-Committee

NOTED: that the Leader of the Council had delegated to the Cabinet the power to make the decisions set out below:

RESOLVED to note the recommendations arising from the meeting of the Scrutiny and Strategic Overview Committee on 11th November 2014 and the Streets and Environment Scrutiny Sub-Committee on 2nd December 2014 and to provide a response at the Cabinet meeting on 16 March 2015, as the February meeting is a Council Tax meeting.

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STREETS AND ENVIRONMENT SCRUTINY SUB-COMMITTEE

Minutes of the meeting held on Tuesday 2nd December 2014 at 7:10pm in the Council Chamber, Town Hall, Katherine Street, Croydon.

EXTRACT FROM MINUTES – PART A

Present: Councillor Sean Fitzsimons (Chair)
Councillors Karen Jewitt, Michael Neal, Stephen Mann, Paul Scott and Donald Speakman

Also in attendance: Councillors Kathy Bee, Cabinet Member for Transport and Environment and Robert Canning, Deputy Cabinet Member for Transport and Environment.

A34/14 FOLLOW-UP ON SCRUTINY RECOMMENDATIONS: STREET LIGHTING PFI CONTRACT (agenda item 7)

Those present for this item:

- Councillor Kathy Bee, Cabinet Member for Transport and Environment
- Councillor Robert Canning, Deputy Cabinet Member for Transport and Environment
- Anthony Brooks, Director of Environment
- Steve Iles, Head of Highways and Parking Services

It was agreed to amend paragraph 1 of the Executive Summary of the draft Committee report (attached as an appendix to AR07) which referred to the street lighting replacement programme which took place in 2005-06. This earlier street lighting programme was well planned, delivered on time and to budget and it was agreed that this should be reflected in the report.

Councillor Sean Fitzsimons stated that a number of concerns expressed at the meeting on 23rd July 2014 about light pollution and light spillage into bedroom windows had been largely resolved as a result of the walkabout (4th November 2014). He added that once installed the new street lights were excellent and a huge improvement on the old system. However he stated that there were issues with the delivery of the Core Investment Programme and the ongoing performance of Skanska and UK Power Networks.

With regard to the contract monitoring process the Chair confirmed that the Committee was looking for the contractors to deliver what they had signed up to and for the Joint Street Lighting Committee to ensure that its scrutiny of the delivery of the contract was transparent and better than anodyne. He added that he believed that the Committee had reservations about the decision to allow the contractors to bring forward work from years 4 and 5 (parts of East

and West Coulsdon) as it was perceived that a trail of unfinished work was being left behind as trickier installations were not being completed.

Members made a number of comments during this update item including that:

- There was a perception that Skanska was failing to deliver the contract effectively
- That the work programme for the Core Investment Programme had been developed to reduce street crime and anti-social behaviour, better road safety and an improved night time economy and environment in priority order and that to bring wards forward flew in the face of this
- That risk and responsibility for street lighting services had been transferred to Skanska, it did not seem to have accepted either and that more pressure needed to be applied
- Wards where the work was well underway had roads which were complete, roads where new columns were installed but not lit and roads that had seen no work at all and that Skanska needed to complete this work as a matter of priority
- There was now a better understanding about why stumps were left behind, in some instances for a long time, but that the notices on the stumps were not clear enough
- A member of the Committee reported that his residents had positive experiences to report, that Skanska had taken on board comments about where columns should be positioned, they were approachable and listened to what residents had to say

The Committee heard from the Director of Environment and the Head of Highways and Parking Services that:

- Officers were working hard to put Skanska in a position to deliver the Core Investment Programme and that they believed that the outcome would be excellent street lighting provision in the Borough
- Risk has been successfully transferred to the contractor
- Contract monitoring has been amongst the best carried out by the council, the contractor has been called to account a number of times and significant payments have been withheld as a result
- Work has not stopped in areas where work has been partially completed and the contractor was investing in additional resources to catch up on delivery of the Core Investment Programme
- A huge amount of work was being done to redesign lighting schemes to avoid shutdowns to the UK Power Network as this speeded up the process and reduced disruption to residents
- High level discussions with Skanska and UK Power Networks continued to take place in order to reduce delays to the delivery of the Core Investment Programme and there have been improvements
- The Core Improvement Programme is likely to be delivered 6-months late based on current forecasts
- UK Power Networks could be pressured to push ahead with stump removals but taking stumps out too soon increases the risk of longer shutdowns

- The communications strategy is being reviewed, monthly updates are being sent to ward Councillors and there is work underway to move the forward work programme to a better, more visible site on the website
- A draft variable lighting policy is under development to cover “dimming and trimming” with the aim of setting out where and when street lights can be dimmed or turned off in the future to save energy. The policy is needed as street lights are important in the prevention of crime and for managing fear of crime and it may be appropriate to turn lights up in the town centre, for example.

RESOLVED – To:

- Refer its amended report to the Cabinet and the Croydon and Lewisham Joint Street Lighting Committee for consideration and a response to its conclusions and recommendations
- Express its concern that the Core Investment Programme work programme, which had been prioritised across wards in the borough to help deliver better road safety, an improved night time environment and economy and to help reduce street crime and anti-social behaviour, had been amended to bring forward ‘easy-to-complete’ wards while work in high priority wards had not been completed
- Ask officers to maintain pressure on the contractor to complete street lighting implementation in wards where work was already underway as soon as possible
- Note that the council is effectively monitoring the contract and that Skanska Laing is being penalised financially on an on-going basis for delays in delivering the Core Investment Programme
- Express its concerns about the detrimental effect the delays in delivering the Core Investment Programme is having on residents and that this can be directly attributed to Skanska Laing and UK Power Networks
- Seek an apology to the residents of Croydon from Skanska Laing for the delays and disruption they have caused in the delivery of the Core Investment Programme
- Refer the Street Lighting PFI Contract back to scrutiny for a further update and report on progress in 2015/16 with a particular emphasis on seeking information about on-going delays, wards completed, stump removal, joint working between Skanska Laing and UK Power Networks in delivering the street lighting replacement programme and the predicted over-run of the Core Investment Programme
- Note however, that overall the new street lighting, once installed and working, provides an improved and beneficial service to the residents of Croydon.

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For general release

REPORT TO:	STREETS AND ENVIRONMENT SCRUTINY SUB-COMMITTEE 2 DECEMBER 2014
AGENDA ITEM:	7
SUBJECT:	STREET LIGHTING PFI - UPDATE

ORIGIN OF ITEM:	This item is contained within the initial Work Programme 2014-15 for the Streets & Environment Sub-Committee.
BRIEF FOR THE COMMITTEE:	To provide an update on the progress of the Core Investment Programme for Street Lighting PFI (Private Finance Initiative) joint project between Croydon Council and Lewisham Council following the walkabout held on 4 th November 2014.

1. EXECUTIVE SUMMARY

This report brings together information from:

- The Streets & Environment Scrutiny Sub-Committee meeting on 23rd July 2014 and the street lighting walkabout in Addiscombe and Ashburton wards held on 4th November 2014. The information is contained in a 'snapshot in time' topic report from the Committee and provides summary of the findings of the Committee on the progress of the Street lighting Core Investment Programme.
- As the Committee was concerned about the performance of the Croydon and Lewisham Joint Street Lighting Committee. A copy of the Part A paper for the Joint Committee meeting held on 11th November 2014 is also attached to this report

Appendices

Appendix A – Street Lighting PFI Topic Report

Appendix B – Papers relating to the Croydon and Lewisham Joint Street Lighting Committee meeting, held on 11th November 2014

CONTACT OFFICER: Karen Martin, Members Services Manager

BACKGROUND DOCUMENTS:

None.

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2014

Street Lighting PFI



**A report by the
Croydon Council
Streets & Environment
Scrutiny Sub-
Committee**

STREET-LIGHTING PFI

A REPORT FROM THE STREETS & ENVIRONMENT SCRUTINY COMMITTEE

1. BACKGROUND

This item was chosen for scrutiny because it represented a large part of Councillor postbag issues, especially during the local election campaign in May 2014. There were complaints of delays, power outages, street lamps in the middle of the pavements, lamps too bright, old street lamps left as ugly stumps in the road, lack of consultation or communication with residents and Councillors. As a consequence Scrutiny Councillors were concerned about how effective this contract was being managed by the Croydon and Lewisham Joint Street Lighting Committee and by officers.

At the meeting of the Streets & Environment Scrutiny Sub-Committee on 23rd July 2014, Members received an update on the progress of the Core Investment Programme for the Street Lighting PFI joint project between Croydon Council and Lewisham Council. Committee followed this up by having a guided walkabout of some of the streets in order to see for themselves first-hand what the actual problems were.

The London Borough of Croydon and the London Borough of Lewisham entered into an agreement with Skanska Laing in a 25-year PFI (Private Finance Initiative) street lighting replacement and maintenance contract in July 2011. During the first five years, Skanska aims to replace approximately 38,000 street lights and 8,000 street signs and bollards in both boroughs as part of the Core Investment Programme (CIP). Work also includes the refurbishment of a further 4,000 street lights.

Skanska is responsible for the design, build, finance and operation of the stock of lighting columns and illuminated street furniture for Croydon and Lewisham for a period of 25 years. In addition, Skanska is responsible for the operation and maintenance of the street lighting stock, including the provision of help desk services and emergency response during the life of the project. Under the contract Skanska provides new improved and energy-efficient street lighting across both boroughs, which aim to directly support better road safety, deliver an improved night time environment and economy and help reduce street crime and anti-social behaviour.

2. EXECUTIVE SUMMARY

The Croydon section of the project has been beset with problems arising from the unique configuration of the infrastructure. These unique features were expected to be well known to officers and to the contractors as a result of an earlier street lighting replacement programme in 2005-6, which was well planned and delivered on time and to budget. It is not clear why lessons were not learned from this experience or what due diligence was conducted by the contractor.

There has been a programme overrun, power outages and unsightly stumps left on the streets due to the complications with the unique infrastructure. However, these unique features do not explain the light spillage and light pollution being reported, the badly placed obstructive street lamps or lack of consultation and communication with residents and councillors.

It is not clear to Members or residents where responsibility for the failings of the street light replacement programme lies. UK Power Network is responsible for the network and the replacement of link boxes which enable sections to be turned off in order that the street light replacement programme can be carried out by Skanska. Skanska is responsible for the street lighting replacement programme but needs to work closely with UK Power Networks to ensure that jointing works are carried out. The council, the client in this case, is responsible for ensuring that the contractor delivers the street light replacement programme in its entirety on time, safely and to budget.

There appears to be a lack of urgency on the part of the PFI contractor (Skanska) to resolve the problems as the risk transfer mechanism is ineffective in incentivising performance. Not being paid for being behind schedule does not put street lights on the street. Contract management at council officer level appears to be ineffective and Member oversight by the Joint Street Lighting Committee appears to be disproportionately too light touch.

The Committee resolved to add a follow-up item on Street Lighting to the work programme and to undertake a walkabout in Addiscombe and Ashburton wards to examine work carried out and identify areas for improvement. The walkabout took place on 4th November 2014 (see **Appendix A** attached to this report).

The following pages provide a summary of the information received and considered by the Committee. A full list of reports and presentations made at the meeting and resulting from the walkabout is given in Section 6 of this report.

3. STREET LIGHTING PRIVATE FINANCE INITIATIVE (PFI)

3.1 PFI Funding

PFI funding is an “off balance sheet” arrangement used to fund major capital programmes and attracts grant funding from central government. PFI is a procurement method where the private sector finances, builds and operates infrastructure and provides long term facilities management. These agreements are intended to transfer risks to the private sector in return for payments over the concession life which is usually at least 25 years. Payment is only made if services are delivered according to the requirements of the concession agreement. Members heard that in this case street lighting services in Croydon and Lewisham were transferred to Skanska Laing, the external street lighting service provider in July 2011, the commencement of a 25-year PFI contract.

3.2 Existing street lighting infrastructure

Members heard that the Croydon and Lewisham PFI differed from other Skanska contracts around the country due to the complexity of the existing infrastructure in Croydon. The Lewisham infrastructure did not have the same complexity.

Members were advised that approximately 70% of Croydon’s street lighting was connected to a dedicated street lighting power supply known locally as the Croydon Central System (CCS) and is switched by the Distribution Network Operator (DNO) UK Power Networks.

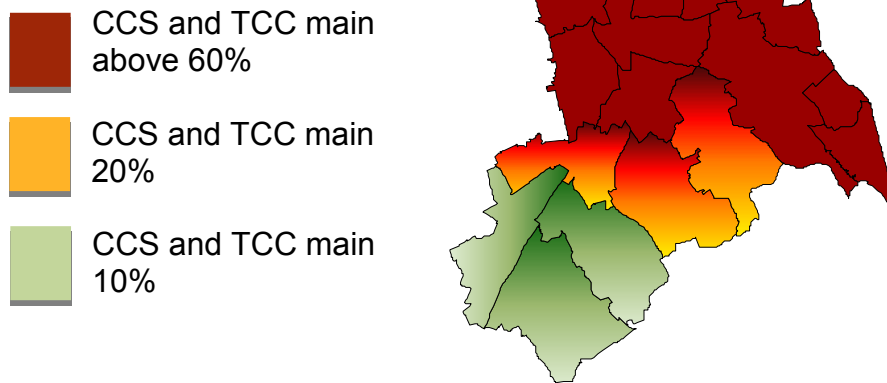
The CCS network was installed in the early 1900s solely to provide street lighting. The circuit dates from the early years of last century, when the old County Borough of Croydon was an electricity generator from a power station on what is now the IKEA site. The overwhelming majority (78%) of the street lights were installed in the late 1950s/ early 1960s and lighting columns are now around 40-50 years old, some are older. A further 12% of borough lights were installed 20-40 years ago.

Members heard that due to on-going maintenance problems with the CCS, UK Power Networks has placed an embargo on its re-use and that it is intended that the CCS be abandoned as part of the street lighting programme once all the old lighting points have been taken off it. All new or replacement lighting columns will be connected onto the LV mains network operated by UK Power Networks.

Members were informed that the CCS is a complex Triple Concentric Cable (TCC) main and needs to be decommissioned limb by limb. This means that old stump columns are not removed in some streets following the installation of new columns in order to maintain the network serving the remaining lights on the CCS.

The TCC main has been identified in two thirds of the borough of Croydon – mainly in the north (see map below). To work on the cable UK Power Networks needs to carry out a controlled shutdown and this affects household supplies. The shutdown period is limited to 6 hours (ie. one mealtime) to minimise disruption and this has had an impact on the number of jointing works completed each day. Members heard that this effect on the jointing output has affected Skanska’s ability to achieve its milestone targets.

Croydon Central System and Triple Concentric Cable main location heat map



The TCC main is shut down through link boxes and this has proved difficult due to the condition of the link boxes, many of which are life-expired. Members heard that UK Power Networks has a link box replacement programme and that it is working with Skanska to align its link box replacement programme to the requirements of the CIP programme.

Members heard that the CCS and TCC main are therefore major factors in programming the works in Croydon, that they are unique to this PFI contract and that bidders had not had a fully understanding of the complexity and scale of non-standard wiring at the outset of the PFI contract.

It was pointed out, however, that due diligence and a programme of street lighting replacement in 2005-2006 should have revealed the difficulties encountered when working with the CCS and the triple concentric cable main, the nature of which made it difficult to work on live. Members pointed out that research and surveys preceding the signing of the contract had revealed early on that the CCS had a high concentration of different types of wiring which was old and in need of replacement. At the meeting on 23rd July 2014, Members expressed their surprise at the fact that this knowledge had not be taken into consideration when putting together the bid.

Members noted that the street lighting in Lewisham is connected to the DNO network and is not therefore affected by the CCS or TCC Main.

3.3 The Street Lighting PFI project

The CIP was prioritised by taking into account:

- Crime levels
- The age and the condition of the stock
- Operational efficiency and lighting levels

The project includes the provision of street lighting including the design, installation and operational maintenance of existing and new apparatus – as detailed in the table below.

Item	Description	@ Service Commencement
1	Lighting Columns – Deemed to comply	4,252
2	Lighting Columns – Non Deemed to Comply	38,039
3	Illuminated traffic signs	6,471
4	Non-Illuminated traffic signs	0
5	Illuminated bollards	1,933
6	Non-illuminated bollards	0
7	Subway lighting points	19
8	Feeder Pillars	100
	Total	50,814

Under the contract, all the existing equipment will be replaced or brought up to modern standards in the first five years, along with the de-illumination of illuminated signs and bollards wherever possible. The equipment will be operated and maintained in a satisfactory condition for the duration of the 25-year contract and then handed back to Croydon and Lewisham councils.

Members heard that each new light could be dimmed or brightened according to local need and that the quality of light to be provided was based on British Standard EN13201 (Part 2). The new (white) lighting was described as being directional and focused on pavements and other areas that needed to be lit. In contrast the old lanterns provided a yellow, glowing light that washed whole areas. Members on the walkabout witnessed the contrast between the old and new lanterns (nb. Lebanon Road and Tunstall Road respectively) and felt the new columns performed well.

A variable lighting policy is under development to cover “dimming and trimming” with the aim of setting out where and when street lights can be dimmed or turned off in the future to save energy. The policy is needed as street lights are important in the prevention of crime and for managing fear of crime and it may be appropriate to turn lights up in the town centre, for example.

Members heard that Windsor columns and lanterns had recently been specified for conservation areas in the borough.

Members asked about the scrap value of the old equipment. They were advised that they were owned by Skanska, and that most columns, being life-expired, were likely to go to scrap. Heritage style columns would be recycled.

It was confirmed that an upgrade of road signage was included in the contract. However there had been a change in regulations in the past three years resulting in an instruction to de-illuminate road signs where possible. Members heard that this might provide an opportunity to make some savings. Members attending the walkabout noted that there were opportunities to reduce street 'clutter' by moving signage to new columns.

During the walkabout it was confirmed that side roads (including un-adopted roads) will be fitted with new street lights if on the inventory.

3.4 Positioning of new columns

Members heard that there was a detailed lighting plan for each street in the borough, that these were designed to minimise the likelihood of obstructive lighting and that the position of columns had been set to meet British Standard lighting levels. When lighting was installed on one side of the street only due to the position of the power cable, the lighting provided met British Standards. Property boundaries were prioritised as the preferred location for new columns as it kept the pavement free for pedestrians and other users.

A local resident highlighted issues with light spillage and obtrusive lighting to first floor bedroom and loft rooms but was given assurances (at the meeting and on the walkabout) that the new lights were more directional and caused less light pollution than those that they had replaced.

Members heard some residents complain that they could no longer clearly see their front door locks as the level of lighting around their homes had been reduced after the installation of new columns.

Members attending the walkabout noted that columns positioned approx. 4m from the front of a house protect the homeowner from obtrusive lighting to loft and first floor bedrooms. Where front gardens are narrow, Members felt that it may be preferable to place column on outside of pavement (rather than the property boundary) subject to equality and access considerations.

Members reported that some columns had been installed in the middle of the pavement, causing an obstruction to individuals with prams or in wheelchairs (eg. Dartnell Road). It was confirmed that columns should not be put in the middle of pavements and that the position of some columns had been changed following discussions with local residents.

Members attending the walkabout saw that tree canopies have resulted in dark and shadowed areas in some places (Northampton Road). Additional columns can be requested but they noted that practical consideration needs to be given as the presence of dropped kerbs, trees etc. limit the options relating to the installation of additional columns.

Members also noted that enforcement against residents is needed where overgrown hedges block pavements and lighting creating dark or shadowed areas.

Members heard that there had been reports of instances where pavements had been blocked by on-going street lighting works endangering pedestrians who had to step onto busy roads to circumvent them and that this also presented a major obstacle to the wheelchair-bound. Members and the public were encouraged to report the location of any such blockages so that they could be addressed promptly.

3.5 Progress to date and project delays

Members heard that the original work programme was drawn up following an open discussion between the councils and the contractors. While the challenges presented by the CCS were recognised, the difficulties presented by the TCC main were not fully understood. Skanska anticipated that 800 columns would be replaced per month.

As of May 2014:

14,207 lighting points had been removed

20,655 had been installed

6,448 lighting points were therefore without a power supply - indicating that the CIP was behind schedule by approximately 8 months.

Members heard that there were approximately 650 column stumps across the borough that had not yet been removed. As of July 2014 some 140 stumps had been removed and a further 53 were scheduled for removal during August. Members heard that hasty disconnection might lead to large numbers of new columns malfunctioning and to further delays.

Members highlighted the inconvenience caused by current delays to local residents and the heightened risk of accidents and continuing fear of crime due to poor lighting.

Work has not stopped in areas where work has been partially completed and the contractor was investing in additional resources to catch up on delivery of the CIP. High level discussions with Skanska and UK Power Networks continued to take place in order to reduce delays to the delivery of the CIP, there have been improvements and it is likely to be delivered 6-months late based on current forecasts. UK Power Networks could be pressured to push ahead with stump removals but taking stumps out too soon increases the risk of longer shutdowns.

3.6 CIP Performance management and the payment mechanisms

At the meeting on 23rd July, Members requested that further information be provided on the following:

- The cost of the delays to the council, the community and contractors
- The controls and penalties included in the street lighting contract

A summary document was supplied to the Committee for the update meeting on 2nd December.

The Committee heard that the contract has a number of performance standards that are reviewed monthly. Failure to meet these minimum requirements is directly linked to financial adjustments in the payments made to the service provider. Members heard that there is the potential to amend the CIP to take account of changing objectives for the council, such as those relating to safety and security, housing, town centre redevelopment, transport schemes and environmental management and sustainability.

Members heard that the service provider (Skanska) is paid only when schemes are certified as completed. Built into the CIP are contractual key (6-monthly) milestones against which the service provider is measured. These milestones relate to the number of columns replaced and columns removed during each period. In effect the council does not pay for any new installation until it is fully functioning. As a result payments, which should have been made based on planned milestones, had not been paid and were accruing interest for the council.

Contract monitoring has been amongst the best carried out by the council, the contractor has been called to account a number of times and significant payments have been withheld as a result.

Members also heard that the contract could be terminated if three successive milestones were missed and the work was delayed by 18 months. Contractors informed Members that the programme was currently 8 months behind schedule and that they had been paid for 7000 columns less than planned as at July 2014.

Members heard that UK Power Networks and Skanska are looking at opportunities to improve performance and the council is closely monitoring the performance of both parties.

3.7 Programme Recovery Plan

Members heard that as a result of the delays in the delivery of the CIP and associated complications arising from the TCC main, Skanska had produced an improvement plan to address the significant delays in replacing columns. The improvement plan outlines the steps being taken to recover the programme and it is reviewed monthly.

Members were provided with details of current and forward improvements planned including:

- Pulling the CIP forward in parts of Coulsdon East and Coulsdon West where the TCC main is not present (from year 5 to year 3)
- Providing additional jointing teams from UK Power Networks
- Adding resources to manage UK Power Networks and research new solutions to challenges
- Increasing the number of shutdowns of the TCC main to improve productivity
- Co-locating the jointing project office to improve communication, productivity and supervision
- Bringing in separate teams to remove CCS stumps

Members were also informed that the contractor hoped to work on two fronts simultaneously to make up for lost time and to replace 1000 units a month rather than 800 as originally planned.

Members heard that considering the improvements to date and the improvements currently being considered, the overall CIP is expected to recover and is currently projected to deliver approximately 6 months late.

3.8 Consultation

Members heard that consultation on the delivery of the CIP programme is split into two categories:

- Strategy consultation – comprising meetings between Skanska and the council to discuss and approve the proposed investment programmes for the following year
- Operational consultation – designed to ensure that residents and other stakeholders are aware of works starting and help contribute to the delivery of the CIP with minimum disruption to local communities.

Members expressed their disappointment at the lack of consultation undertaken with residents regarding the installation of new lighting and explained that displaying small notices on the forthcoming installation of new columns on pavements had given residents no opportunity to discuss any emerging issues with the contractor and put forward practical alternatives.

Officers acknowledged that consultation on lighting could be improved. The communications strategy is being reviewed and there is work underway to move the forward work programme to a better, more visible site on the website.

In addition, Skanska will use a leaflet drop to affected residents 8 weeks before the column replacement is undertaken, followed by a start notification letter 4 weeks before installation commences. Following a request by scrutiny Members (at the 23rd July meeting), monthly updates are being sent to ward Councillors.

Members heard that positive feedback had been received about the consultation and feedback process between Skanska and residents.

3.9 Contract scrutiny

Members were advised that the contract was monitored through joint committee meetings with Lewisham councillors which took place twice each year. Members felt that these meetings had failed to scrutinise the implementation of the contract thoroughly and effectively.

Members felt that Skanska had not performed well either in delivering the contract or in addressing Members' concerns. Members were concerned the management of risks associated with this initiative had been left with the council rather than Skanska, the organisation undertaking the 'capital replacement' element, and that this was contrary to a key principle of Private Finance Initiatives.

4. CONCLUSIONS

Members of the Streets & Environment Scrutiny Sub-Committee formed the following conclusions at their meetings on 23rd July and 2nd December 2014 and during the street lighting walkabout which took place on 4th November 2014:

- There were issues with the delivery of the Core Investment Programme and the on-going performance of Skanska and UK Power Networks and there was a perception that Skanska was failing to deliver the contract effectively
- That the work programme for the Core Investment Programme had been developed to reduce street crime and anti-social behaviour, better road safety and an improved night time economy and environment in priority order and that to bring wards forward in the programme flew in the face of this
- The decision to allow the contractors to bring forward work from years 4 and 5 (parts of East and West Coulsdon) was a concern as it was perceived that a trail of unfinished work was being left behind as difficult installations were not being completed.

Existing infrastructure:

- Members noted that the Croydon Central System (CCS) and associated Tripe Concentric Cable (TCC) main presented unique challenges to the delivery of the street lighting Core Investment Programme
- However, Members also noted that the street lighting replacement programme in 2005-2006 would have revealed the difficulties encountered when working with the CCS and the TCC main and they were surprised that this knowledge had not be taken into consideration when putting together the PFI bid
- Members acknowledged the need for column stumps to remain in place while cabling was switched from the TCC main to the LV main but felt that this should have been communicated to residents and stakeholders
- Members asked that every effort should be made by the contractor to ensure that access to pavements by pedestrians and other users is not impeded by installation works and said that they should not be impelled to

walk in the road

New columns:

- A number of concerns expressed at the meeting on 23rd July 2014 about light pollution and light spillage into bedroom windows had been largely resolved as a result of the walkabout (4th November 2014)
- The new, bright white street lights provide well lit roads and the new lanterns provide a more focused and directed (downward) light than the old lanterns. Once installed the new street lights were excellent and a huge improvement on the old system.
- Back shields (where fitted) work well to protect residents from potentially obtrusive lighting into first floor and loft rooms and these can be requested when necessary
- Columns positioned approx. 4m from the front of a house also protect the homeowner from obtrusive lighting to loft and first floor rooms
- Where front gardens are narrow, it may be preferable to place columns on the outside of the pavement, subject to equality considerations
- Tree canopies can result in dark and shadowed areas and although additional columns can be requested by residents there may be practical reasons (such as the presence of dropped kerbs or trees) which prevent this
- Members attending the walkabout concluded that generally residents would benefit from the new lighting schemes

Delays and payments to the contractor:

- Members expressed serious concerns about the delays to the delivery of the street lighting programme due to the CSS and the TCC as these issues would have been known to the council and Skanska in 2006 and prior to the signing of the contract
- Wards where the work was well underway had roads which were complete, roads where new columns were installed but not lit and roads that had seen no work at all and that Skanska needed to complete this work as a matter of priority
- Members highlighted the inconvenience caused by current delays to local residents and the heightened risk of accidents and continuing fear of crime due to poor lighting
- Members heard that considering the improvements to date and the improvements currently being considered, the overall CIP is expected to recover and is currently projected to deliver approximately 6 months late
- Members noted that Skanska was paid on results and was adding resource to the programme at its own cost to help address the delays but stressed that the council should not suffer financial loss as a result of the programme

Operational consultation:

- Consultation with residents needed improvement to ensure that residents had an opportunity to share concerns about the placement of lighting columns or other aspects of the work before installation
- Local councillors and MPs should be provided with copies of all consultation materials and other communications about street lighting installations in

their ward

- There was now a better understanding about why stumps were left behind, in some instances for a long time, but that the notices on the stumps were not clear enough
- A member of the Committee had reported that his residents had positive experiences of liaising with Skanska, that Skanska had taken on board comments about where columns should be positioned, they were approachable and had listened to what residents had to say

Contract monitoring:

- The Committee was looking for the contractors to deliver what they had signed up to
- Members called for the contract monitoring process to be robust, that all issues relating to the implementation of the contract are detected and tackled swiftly and efficiently

Contract scrutiny:

- Members would look for assurances that the Joint Street Lighting Committee would ensure that its scrutiny of the delivery of the contract was transparent and better than anodyne
- They felt that the meetings of the Croydon and Lewisham Street Lighting Joint Committee had failed to scrutinise the implementation of the contract thoroughly and effectively and called for improvements to this process
- Members stressed that lessons should be learned from this scrutiny review to ensure that the future scrutiny of other Croydon council contracts yielded positive and tangible outcomes

At the end of Street Lighting PFI review item at the Streets and Environment Scrutiny Sub-Committee meeting on 23rd July 2014, Members expressed their disappointment with the contractor. Members cited the poor quality of the answers given by Skanska representatives at the meeting, and their consternation that it was officers of the council who stepped in and answered members' questions and concerns. The performance of Skanska both in delivering the contract and in failing to address members' concerns led the Committee to conclude that the management of risks associated with this initiative had not been successfully transferred from the council to the contractor.

5. RECOMMENDATIONS

Members made recommendations at the Streets & Environment Scrutiny Sub-Committee meeting on Tuesday 2nd December 2014.

The Committee resolved to:

- Refer its amended report to the Cabinet and the Croydon and Lewisham Joint Street Lighting Committee for consideration and a response to its conclusions and recommendations

- Express its concern that the Core Investment Programme work programme, which had been prioritised across wards in the borough to help deliver better road safety, an improved night time environment and economy and to help reduce street crime and anti-social behaviour, had been amended to bring forward 'easy-to-complete' wards while work in high priority wards had not been completed
- Ask officers to maintain pressure on the contractor to complete street lighting implementation in wards where work was already underway as soon as possible
- Note that the council is effectively monitoring the contract and that Skanska Laing is being penalised financially on an on-going basis for delays in delivering the Core Investment Programme
- Express its concerns about the detrimental effect the delays in delivering the Core Investment Programme is having on residents and that this can be directly attributed to Skanska Laing and UK Power Networks
- Seek an apology to the residents of Croydon from Skanska Laing for the delays and disruption they have caused in the delivery of the Core Investment Programme
- Refer the Street Lighting PFI Contract back to scrutiny for a further up-date and report on progress in 2015/16 with a particular emphasis on seeking information about on-going delays, wards completed, stump removal, joint working between Skanska Laing and UK Power Networks in delivering the street lighting replacement programme and the predicted over-run of the Core Investment Programme
- Note however, that overall the new street lighting, once installed and working, provides an improved and beneficial service to the residents of Croydon

6. SOURCES OF INFORMATION

Information submitted to the Streets and Environment Scrutiny Sub-Committee meeting on 23rd July 2014 is available at the following link:
<https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabmenu.pl>

Scrutiny meeting date	Tuesday 23 rd July 2014
Minute number	A8/14 – Street Lighting PFI
Present for the committee	Councillor Sean Fitzsimons (Chair) Councillors Sara Bashford (Vice-Chair), Karen Jewitt, Stephen Mann, Paul Scott, Donald Speakman and James Thompson
Also in attendance	Councillor Robert Canning, Deputy Cabinet Member for Transport and Environment Councillor Andrew Pelling Tony Brooks, Director of Environment Steve Iles, Head of Highways and Parking Services

Neville Brandon, John Wrinn and Richard Newnham
(Skanska)

Kevin Newham and Angelo Fitzhenry (UK Power
Networks)

Brief for the Committee To provide an update on the progress of the Core Investment Programme for Street Lighting PFI (Private Finance Initiative) joint project between Croydon Council and Lewisham Council.

The information submitted at the meeting on 23rd July 2014 included:

- Agenda Item 8 Report – Street Lighting PFI Update
- Agenda Item 8 Presentation – Street lighting PFI Update

Street-lighting Walkabout date	Tuesday 4 th November 2014
Present for the Committee	Councillor Sean Fitzsimons (Chair) Councillors Sara Bashford (Vice-Chair), Stephen Mann
Also in attendance	Steve Iles, Head of Highways and Parking Services John Algar, Street Lighting Service Manager Paul Burman and Lukonde Kasonde (Skanska) A local resident
Brief for the walkabout	To investigate issues relating to: <ul style="list-style-type: none">• Positioning of columns• Impact of tree canopies on the effectiveness of lighting• Delays to connecting new columns• Obstructive lighting (into bedrooms and loft rooms) and light pollution• New columns in conservation areas

Scrutiny meeting date	Tuesday 2 nd December 2014
Minute number	A34/14 – Street Lighting PFI update
Present for the committee	Councillor Sean Fitzsimons (Chair) Councillors Karen Jewitt, Michael Neal, Stephen Mann, Paul Scott and Donald Speakman

- Also in attendance**
- Councillor Kathy Bee, Cabinet Member for Transport and Environment
 - Councillor Robert Canning, Deputy Cabinet Member for Transport and Environment
 - Tony Brooks, Director of Environment
 - Steve Iles, Head of Highways and Parking Services

Brief for the Committee

To receive information about:

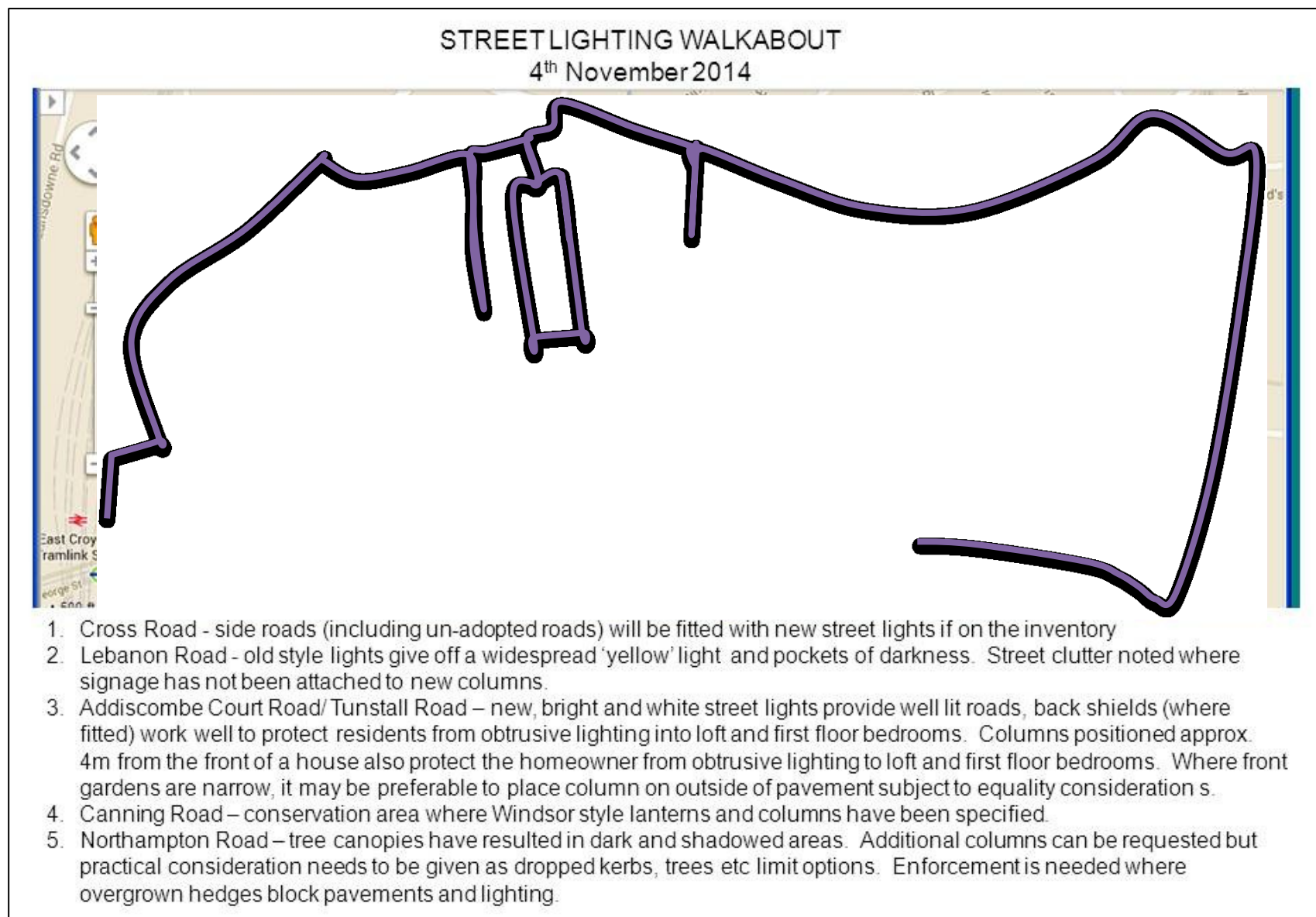
- The cost of the delays to the council, the community and contractors
 - The controls and penalties included in the street lighting contract
- and to make recommendations relating to the Street Lighting PFI Contract.

The information submitted at the meeting on 2nd December 2014 included:

- Agenda Item 7 Report – Street Lighting PFI Update topic report and information requested by the Committee
-

Appendices

APPENDIX A – Street Lighting Walkabout (4th November 2014) Report



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Scrutiny Committee 02 December 2014
Contract Monitoring - Monitoring Team
Croydon and Lewisham Street Lighting PFI

Prepared by: Steve Iles



This briefing provides the scrutiny committee with a summary of the monitoring and reporting processes in place in administering the Croydon & Lewisham Street Lighting PFI.

Authority Contract Governance

The councils have established a joint co-operation agreement and governance agreement to jointly manage the delivery of the Croydon & Lewisham Street Lighting PFI contract, the contract is a 25yr contract with an initial 5yr investment programme.

In exercise of their powers under section 101(5) of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers the Constituent Authorities (which for this purpose includes the Croydon's Executive and Lewisham's Mayor and Cabinet) established a joint committee to be known as the Croydon and Lewisham Street Lighting Joint Committee with effect from the Commencement Date September 2011.

1. Function of the Joint Committee

The Joint Committee shall be responsible for and shall have delegated to it the following functions of the Constituent Authorities in relation to the Services Agreement:

- those matters for which it, the Management Board and the Authority Project Representative are identified as responsible within the Services Agreement (if any).
- monitor operational performance of the Services Agreement and report to the Constituent Authorities on the Services Agreement
- recommend strategy proposals to the Constituent Authorities for consideration in relation to the Services Agreement
- recommend potential business development opportunities to the Constituent Authorities for consideration in relation to the Services Agreement
- to consider matters referred to it by the Management Board as Referred Decisions.
- to act as the decision making body in respect of any joint decision required to be taken by the Constituent Authorities under the Services Agreement other than those that are Reserved Decisions.

2. Function of the Management Board

The Management Board shall consist of two officer representatives nominated from each of the Constituent Authorities. Any Constituent Authority may change its representatives from time to time by written notice to the Project Administering Authority. Any officer nominated shall be a senior officer employed by that Constituent Authority.

Each of the Constituent Authorities shall appoint one officer (being a senior officer employed by that Constituent Authority) as a named substitute to their nominated officer representatives of the Management Board. The officer appointed as a named substitute shall have full voting rights when acting as a substitute.

The Management Board will meet at least every month and extra meetings may be convened by any officer on the Board.

3. Function of the Authority Representative

The Authority Project Representatives' role is to liaise with the Service Provider under the Services Agreement.

The Authority Project Representative shall be deemed to be working on behalf of both their employing Constituent Authority, and made available and working on behalf of the other Constituent Authority under section 113 of the Local Government Act 1972.

The Authority Project Representative will report directly to the Management Board.

4. Function of the Client Monitoring Team

The Joint Committee shall be supported by a Client Monitoring Team ("the Team") which shall operate independently but for the benefit of both of the Constituent Authorities and shall be accountable to each Constituent Authority.

The Team is supervised by the Authority Project Representative.

The Client Monitoring Team shall be deemed to be working on behalf of both their employing Constituent Authority, and made available and working on behalf of the other Constituent Authority under section 113 of the Local Government Act 1972.

Monitoring Team Function

In considering the most appropriate approach to the contract monitoring role the Authority considered each element of the project as defined by the Output Specification, i.e.:

- PS1 – Investment Programmes;
- PS2 – Planned Maintenance, Inspection and Testing
- PS3 – Operational Responsiveness and Reactive Maintenance;
- PS4 – Contract Management and Customer Interface;
- PS5 – Strategic Assistance and Reporting;
- PS6 – Working Practices;
- PS7 – Reporting to the Authority
- PS8 – NOT USED
- PS9 – Central Management System

Each of the above performance standards are complemented by a corresponding financial performance it is important that the monitoring team establish this link from the outset.

PS1 – Investment Programmes

The model form approach to monitoring performance against Performance Standard PS1 (Investment Programmes) is clearly defined within the contract documents. The approach normally taken is one of independent certification during the initial Core Investment Programme (CIP) and a Service Provider self-certification for any post CIP investment / life cycle replacement works.

The IC role as defined within the PFI Contract document is an audit role that in model form does not include for 100% inspection. The format adopted is normally 100% inspection for an initial period (normally 6-12 months) that drops, dependent on performance, to be 20% as the works progresses.

The contract facilitates the IC reverts back to 100% certification if the performance of the service provider drops below a threshold.

PS2 – Planned Maintenance, Inspection and Testing

The planned maintenance, inspection and testing regimes employed on the contract are set out by the Service Provider in the Method Statements submitted as part of the bidding process. These Method Statements which are considered contractual and provide the monitoring team with a measurable performance envelope which is linked to the Payment Mechanism via the Output Specification. Any failure on the Service Provider's part to carry out the planned activities identified in PS2 lead to adjustments to the unitary charge. These adjustments remain until the Service Provider rectifies the non-compliance.

The Service Provider's performance against PS2 is self-monitored and reported by the Service Provider to the monitoring team. The monitoring team have a mechanism in place that ensures the reporting is accurate and the work carried out is compliant with the requirements of the contract.

The most effective way to manage this process is for the monitoring team to carry out random spot checks / test witnessing when the Service Provider is on site. The results can then be fed back through the monthly monitoring meeting.

PS3 – Operational Responsiveness and Reactive Maintenance;

The operational response and reactive maintenance activities with the street lighting model are by nature more difficult to predict.

The Service Provider's performance against PS3 of the Output Specification is measured in response/rectification times that vary according to the nature of the fault or incident. On this project the project management team have selected a response time of 1 hour for emergency faults and response times of between 1 and 20 days for non-emergency faults. Any failure on the Service Provider's part to respond / rectify a fault in accord with the times specified in PS3 lead to adjustments to the monthly unitary charge. These adjustments are reviewed each month and in some cases remain until the Service Provider rectifies the non-compliance.

The performance of the Service Provider against the response / rectification times specified within the Output Specification are self monitored and reported by the Service Provider. The monitoring team have a mechanism in place which ensures the reporting is accurate, the works carried out is compliant with the requirements of the contract and that the works is carried out within the time periods specified.

PS4 – Contract Management and Customer Interface

The contract management and customer care requirements defined within PS4 place the following responsibility on the Service Provider:

- An obligation to maintain the inventory to a pre-determined level of accuracy;
- An obligation to update the street lighting inventory within a prescribed time period when the apparatus status changes;
- Deal with external requests within prescribed time periods including telephone and written response.

The performance of the Service Provider against the contract management and customer care performance requirements specified within the Output Specification are self monitored and reported by the Service Provider.

PS5 – Strategic Assistance and Reporting

The strategic assistance and reporting requirements within PS5 place a requirement on the Service Provider to report on delivery of the service. The service delivery requirements of this PS place are requirement on the Service Provider to deliver monthly and annual reports at specified times during the contract that address customer satisfaction, best duty value and audit and performance levels.

The production of these reports is relatively easy to monitor in that the delivery times are specified with the Output Specification so no delivery of the reports triggers the non-compliance. The most important issue for the Authority is that the report content is agreed with the Service Provider in advance.

PS6 – Working Practices

The working practices requirements within PS6 apply to all works carried out by the Service Provider in delivery of the service from service commencement. The working practices employed by the Service Provider are an inherent part of the service so the most effective way for this element of the works to be monitored is by the monitoring team when out on the network.

PS7 – Reporting to the Authority

In order for the Authority to monitor the performance of the Service Provider and to ensure appropriate Monthly Payments are made under the Contract, the Service Provider shall provide accurate and complete reporting to the Authority on how the Service Provider is complying with the requirements of this Output Specification.

Each Monitoring Report, Draft Monthly Payment Report and Actual Monthly Payment Report shall be accurate, complete in content and submitted to the Authority. The Authority monitoring team review the data provided and confirm accuracy.

PS8 – NOT USED

PS9 – Central Management System (CMS)

With effect from the Service Commencement Date, the Service Provider was required to procure that there is a Central Management System in the agreed form in place for use in relation to the Project which shall comply in all respects with the provisions of PS9 of the Output Specification.

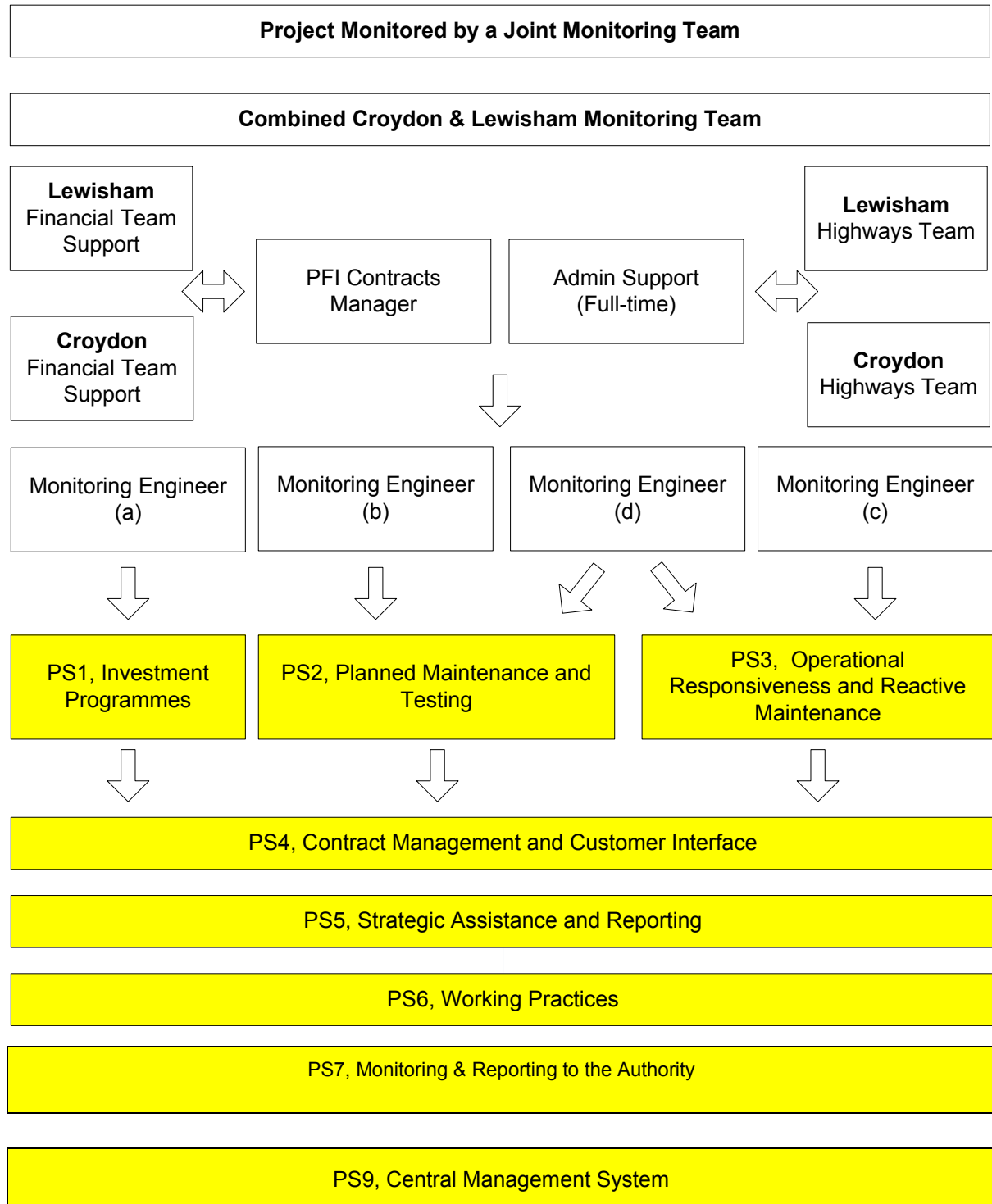
The CMS will provide a range of functionality options to the Authority that will ensure the installed Apparatus retain a high level of flexibility. The CMS provides:

- The ability to meter energy consumption, using an Equivalent Meter
- The ability to switch on/off and adjust lighting levels via dimming (up and down) or trimming
- The ability to remotely monitor lights In Light
- Allow third party “read only” access via computer or hand held device
- A suite of associated reports

The New lighting is connected to the CMS upon certification.

1 Monitoring Team Structure

The monitoring team structure outlined below was endorsed by the Joint Management Team and agreed by the Joint Street Lighting Committee in 2011.



The monitoring team was created to manage the first 5 years of the contract to ensure the Core Investment Programme is implemented. It is therefore anticipated that towards the end of year 5 the roles will be reviewed. This may result in a reduction of posts and/or some posts being deleted at a future date. Staff will be consulted on any future proposals at that time.

The monitoring team are co-located with the Service Provider at Bath House Road Depot

Performance Monitoring and reporting

The contract has a governance and co-operation agreement in place which sets out a clear reporting structure. It is important to note that the PFI contract is a self-reporting contract and the Service Provider is required to submit Monthly Monitoring / Payment Reports to the authority. The Monitoring report sets out the performance of the Service Provider during the reporting period. The Monthly Payment Report sets out the Monthly Unitary Charge payable to the Service Provider minus adjustments for poor performance.

Throughout the monitoring period (monthly) the monitoring team members undertake monitoring of the Performance Standards to ensure compliance by the Service Provider.

Weekly meetings are in place between the monitoring team and representatives of the Service Provider to discuss and operations and performance. The Monitoring team also attend site to ensure working practices are being adhered too.

Monthly Monitoring Meetings are undertaken; these meetings include representatives from the Service Provider, Independent Certifier, Service Providers “banks” technical advisor and the authority. The performance for the reporting month is discussed and the Monthly Unitary Charge payment is agreed minus adjustments for poor performance in line with the Payment Mechanism.

As a result of the challenges around the core investment programme the Service Provider has developed an improvement plan to recover the programme. This plan is reviewed at the monthly monitoring meetings.

END.....

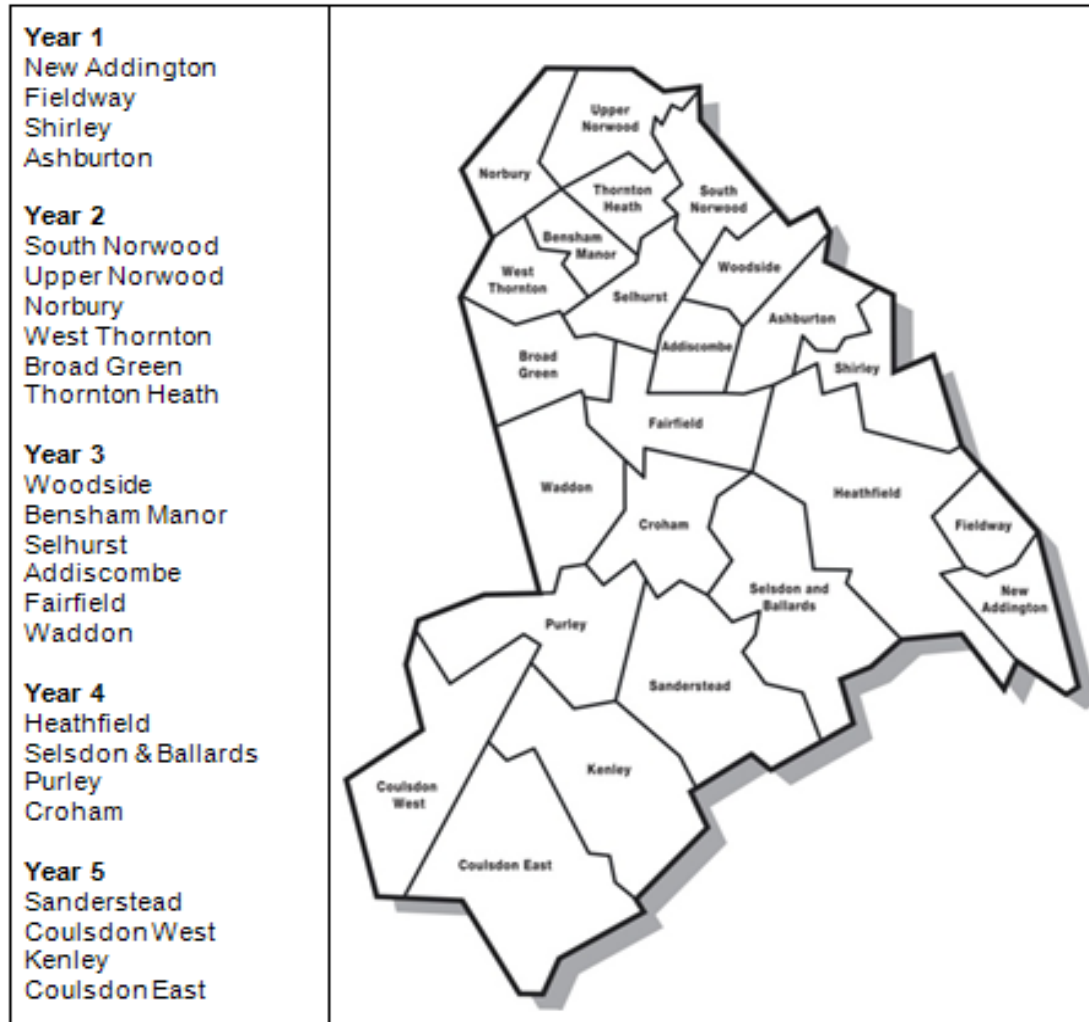
Streets & Environment Scrutiny Sub-Committee

Street Lighting PFI update

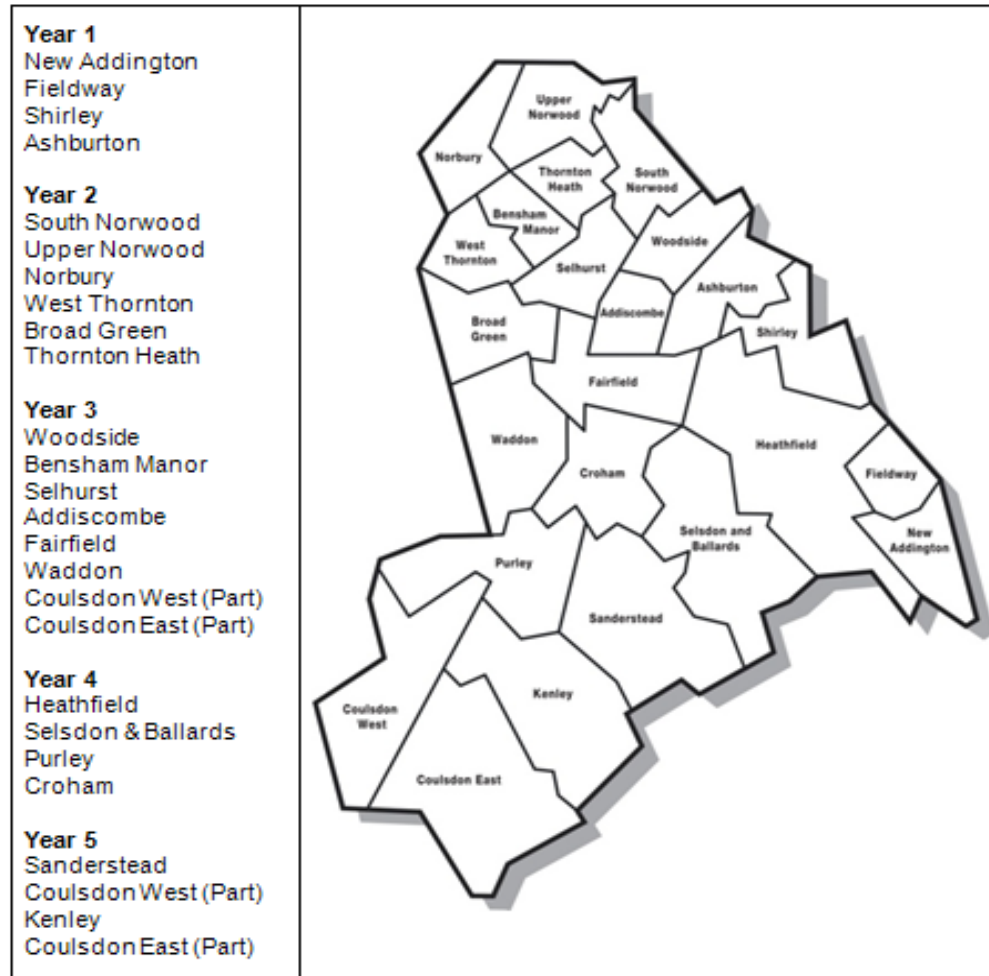
Presented by Steve Iles

To provide an update on the progress of the Core Investment Programme for Street Lighting PFI (Private Finance Initiative) joint project between Croydon Council and Lewisham Council.

Core Investment Programme – at Service Commencement



Core Investment Programme – current



Replacement Strategy

The Service Provider's replacement strategy is based upon the following key principles:

- Croydon Central System (CCS) abandonment from the “outside in” on a ward by ward basis
- Design bank based flexibility in the replacement programme
- Parallel delivery teams to reduce risk of delay
- Replacement within both Boroughs at any one time to ensure a sharing of the benefits of the Project and improved risk management.
- Replacement of illuminated signs and bollards in conjunction with lighting works
- Use of asset condition survey data to influence future years' programmes
- Operational efficiency and best value
- Early consultation as described in Method Statement 5 (Consultation) to solicit Authority input
- Consideration given to transportation schemes, improvement plans and Authority requests

Milestones

Milestone	Milestone Completion Date	Total Lighting Points removed
1	6 months after planned service commencement date	207
2	12 months after planned service commencement date	3,107
3	18 months after planned service commencement date	7,148
4	24 months after planned service commencement date	12,009
5	30 months after planned service commencement date	16,885
6 31 July 14	36 months after planned service commencement date	22,915
7	42 months after planned service commencement date	28,940
8	48 months after planned service commencement date	34,316
9	54 months after planned service commencement date	39,683
10	60 months after planned service commencement date	46,665

Where we are now

- the number of lighting points removed as detailed above was 14,207,
- it is important to note that the number of lighting points installed is 20,655 thus there are 6,448 that are still work in progress
- there are approximately 650 stumps and to date some 140 stumps have been removed with a further 53 over the next month.
- this reflects the CIP is currently behind schedule by approximately 8 months.

Project challenges

- undertaking the connections, disconnections & transfers of services to and from lighting.
- approximately 70% of Croydon's street lighting is connected to a dedicated street lighting power supply. known locally as the Croydon Central System ("CCS"),
 - Embargo on the re-use of this network and once all the old lighting points are taken off it as they are intending to abandon it
 - The CCS is extremely complex and needs to be decommissioned limb by limb but still maintaining a network to serve remaining lights.
 - Stump columns these were always a necessity to maintain the integrity of the network
- Triple Concentric Main, as a restricting factor which has been found to be unique to this PFI contract
- It is important to note all lighting columns in Lewisham are connected to the DNO network and therefore are not affected by this issue

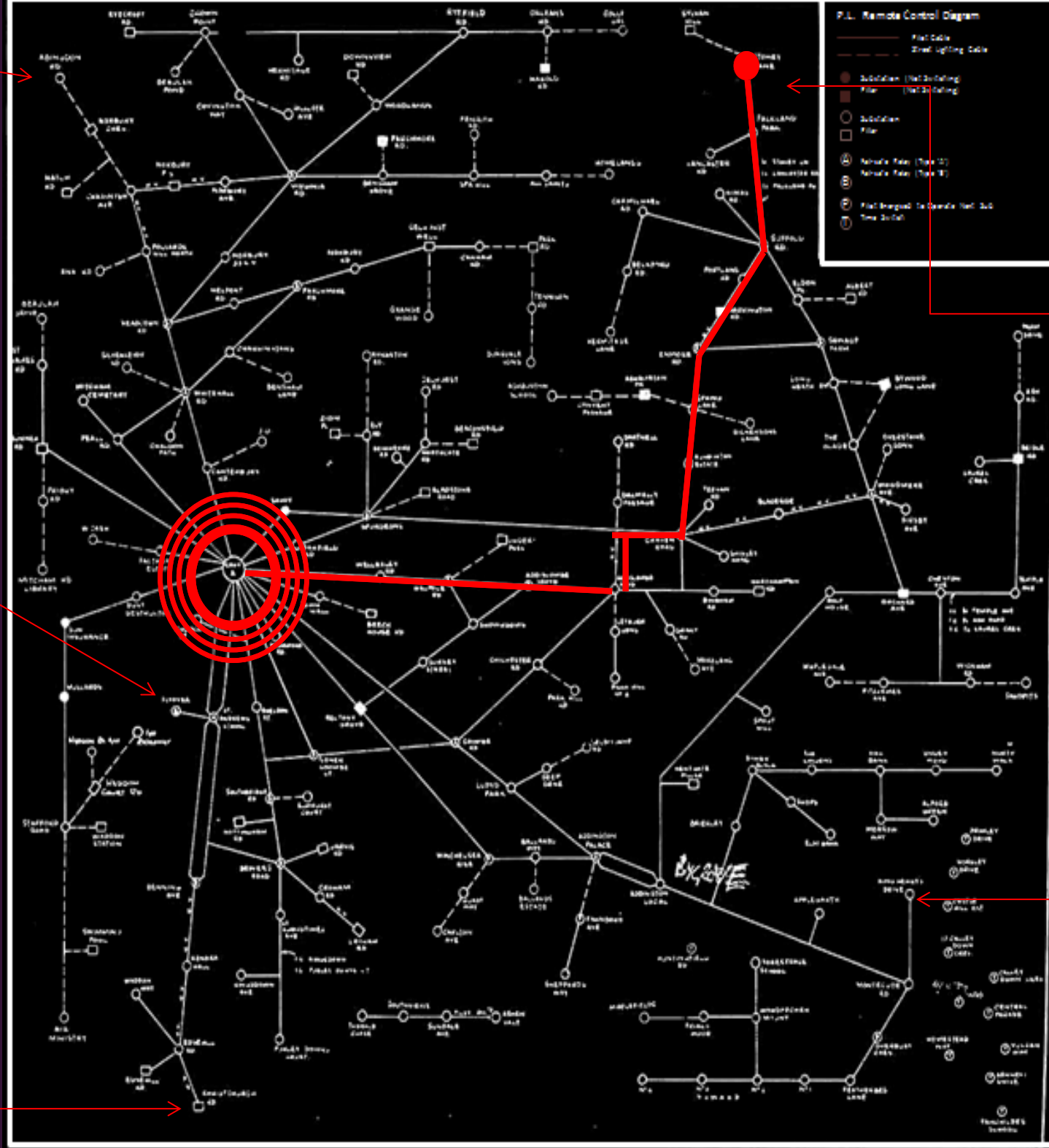
Project challenges Cont'd

- Design – initial challenges
- Jointing Resources – Both Skanska and UKPN have been resourcing the programme but the number of jointers has been inconsistent and the outputs per jointing team vary
- Jointing Solution for new service connections on TCC Main – UKPN & Skanska have been working to optimize the number of UKPN jointing on this network, the challenge is the restrictions on shutdowns are limited to customers in a road being off supply for 6 hours. (i.e. for not more than one meal time)
- To forward plan these works UKPN have Authorised Person (AP) resource to survey
- The condition of the existing UKPN network infrastructure, particularly the Link Boxes
- Extended duration of works on site, leaving barriers around trenches for longer than expected.
- Extended duration of each scheme from installing columns to physically completed.

Abingdon Rd
(Norbury)

Croydon Flyover
(Old Town)

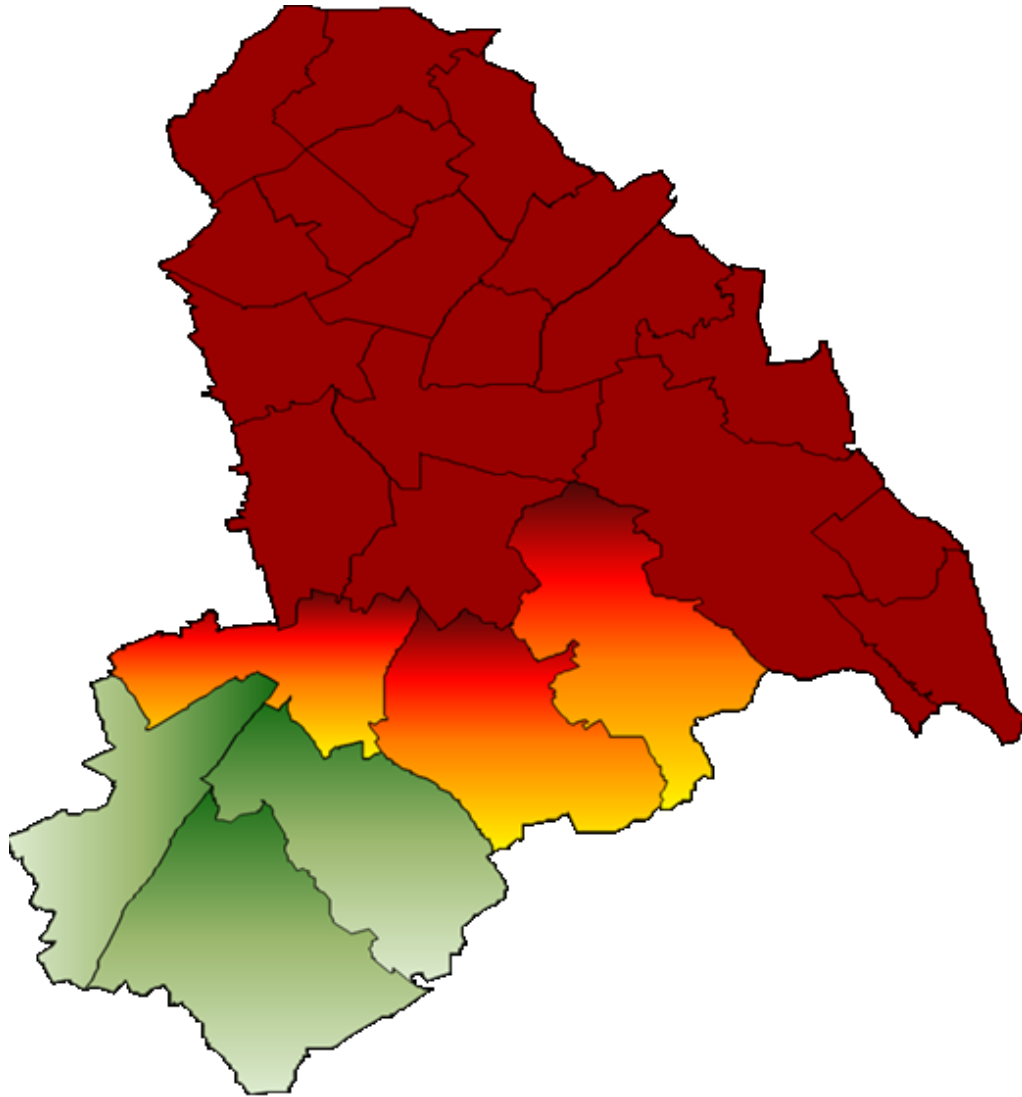
Christchurch Rd
(Purley)



Stoney Ln
(Upper Norwood)

King Henry's Dr.
(New Addington)

TCC and CCS Location heat map



Ward	Year	Ward	Croydon Central Network
2	Y1	Ashburton	Above 60%
9	Y1	Fieldway	Above 60%
12	Y1	New Addington	Above 60%
18	Y1	Shirley	Above 60%
4	Y2	Broad Green	Above 60%
13	Y2	Norbury	Above 60%
19	Y2	South Norwood	Above 60%
20	Y2	Thornton Heath	Above 60%
21	Y2	Upper Norwood	Above 60%
22	Y2	Waddon	Above 60%
23	Y2	West Thornton	Above 60%
1	Y3	Addiscombe	Above 60%
3	Y3	Bensham Manor	Above 60%
8	Y3	Fairfield	Above 60%
16	Y3	Selhurst	Above 60%
24	Y3	Woodside	Above 60%
7	Y4	Croham	Above 60%
10	Y4	Heathfield	Above 60%
14	Y4	Purley	20%
17	Y4	Selsdon and Ballards	20%
5	Y5	Coulsdon East	10%
6	Y5	Coulsdon West	10%
11	Y5	Kenley	10%
15	Y5	Sanderstead	20%

Programme Recovery to date

- Jointing Resource - Increased jointing resources implemented over the past 12 months jointing teams have been increased from 8 teams to 18 teams now covering both boroughs.
- TCC Shutdown Planning - Dedicated resource from UKPN to survey, plan and organise shutdowns
- Link Box conditions - UKPN attempt to facilitate a replacement link box to be installed under its Link Box replacement programme.
- Survey of TCC Network and designing away from TCC network where possible
- Original 10,000 TCC new services – currently reduced to 8,800 this review is ongoing.



Current & Forward improvements

The council, Skanska and UKPN continue to work on developing improved productivity on the Core investment programme, these measures include:-

- Pursue Asset Owner agreement with Client (this has been discounted due to authority legal advice) or Internally within Skanska as Asset Owner
- Additional jointing teams from UKPN
- Additional Skanska resource to liaise with UKPN, investigating new solutions that are within the market.
- Increase the number of shutdowns for TCC.
- Skanska Utilities implemented through Asset Owner Agreement to improve productivity



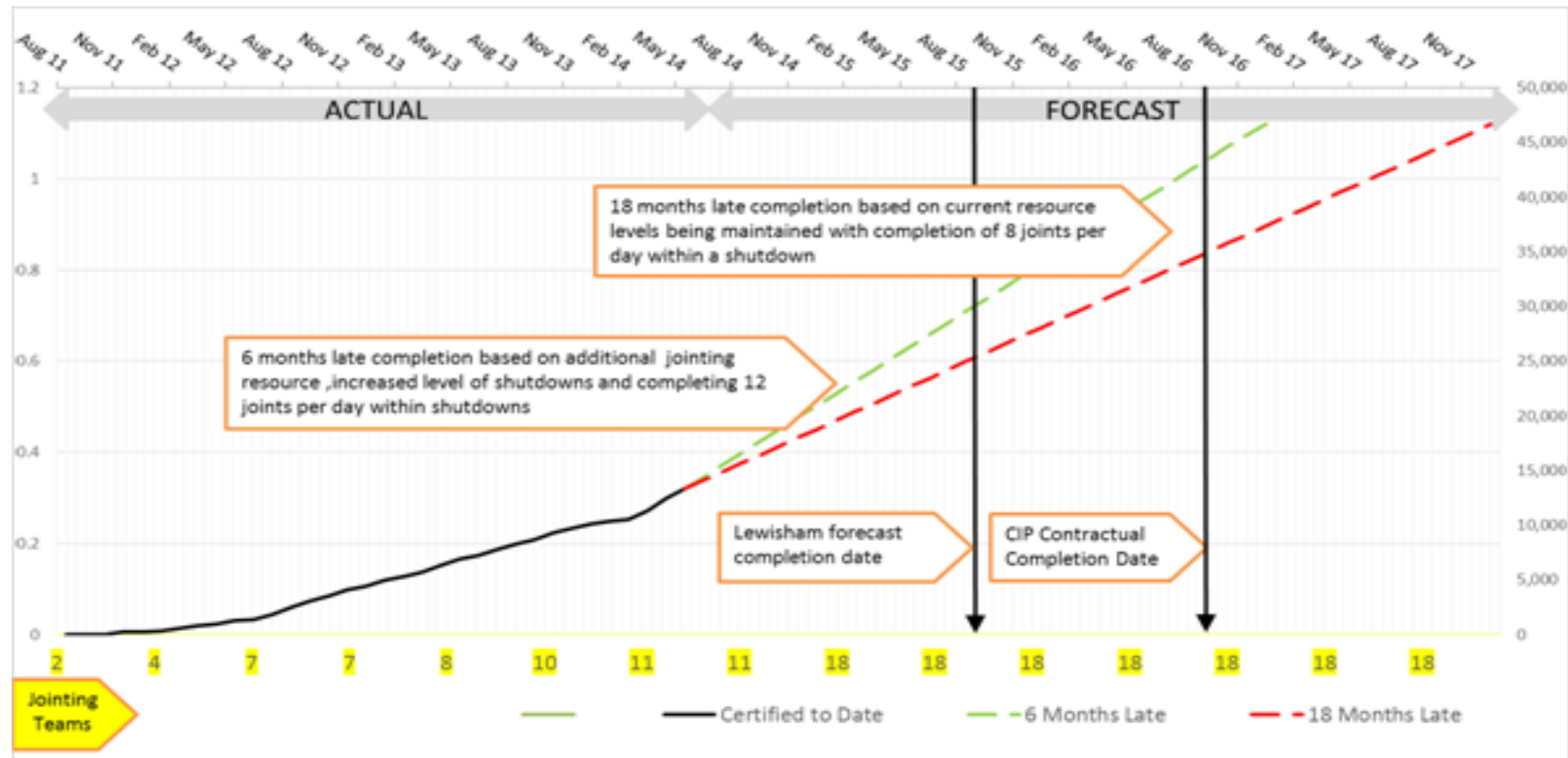
Current & Forward improvements Cont'd

- Co-location of Jointing resource to project office driving improved communication and productivity with Jointing resource and its supervision
- A forward plan for year 4 and 5 program
- The plan moving forward within Croydon is to progress two working fronts in a logical manner
- Investigation alternative solutions with UKPN on jointing of TCC cable
- Planning on removals of stumps detailed from recently received information on the CCS network from UKPN – separate follow up resource teams removing the CCS stump
- Moving progression on Year 4 and 5 wards allows Skanska to improve productivity on standard LV cable networks which is detailed below as the more prominent TCC networks are within the northern wards of Croydon



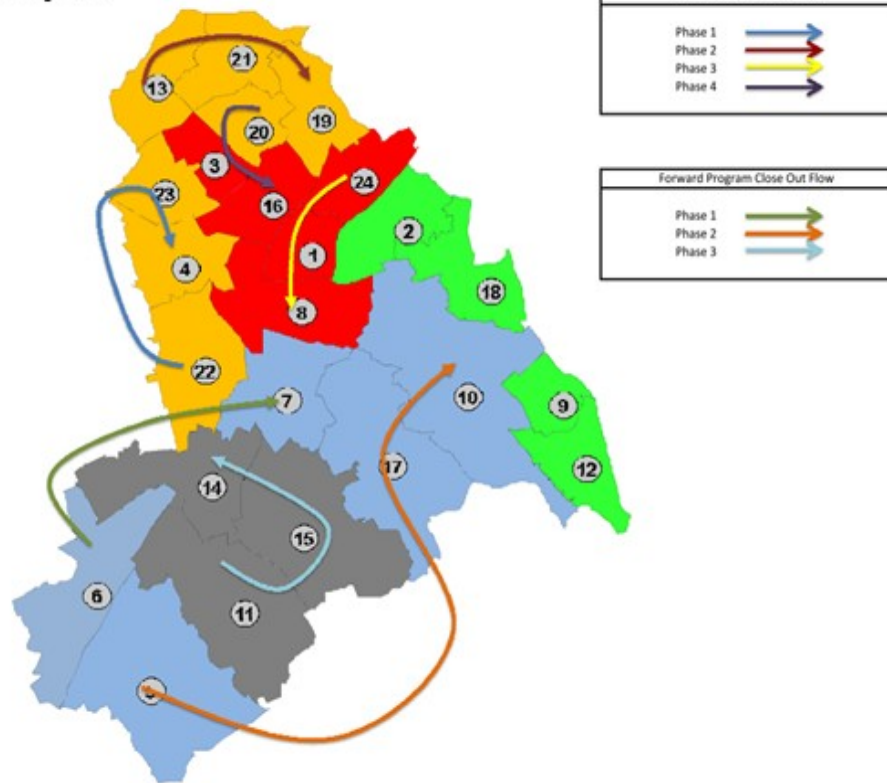
What this is expected to deliver

The Service Provider was charged with the development of an improvement plan focusing on recovering the slippage to the programme



Proposed forward improvement geographical sequence map detailing the two fronts and phasing.

Croydon

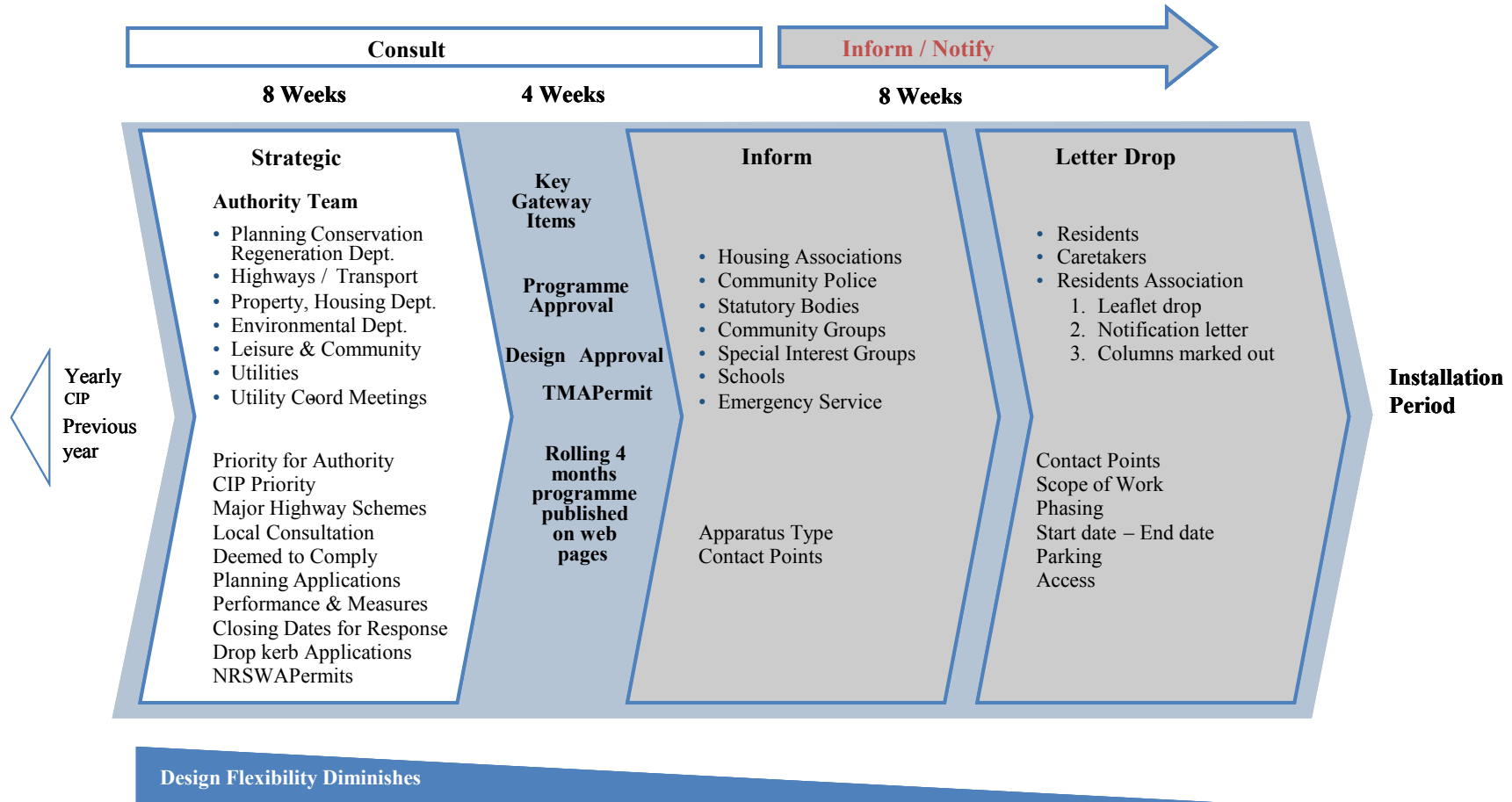


Ward	Year	Ward	Total	Outstanding	Design	WIP	% Certified
2	Y1	Ashburton	955	73	22	51	92%
9	Y1	Fieldway	639	3	3	0	100%
12	Y1	New Addington	662	19	17	2	97%
18	Y1	Shirley	1080	97	97	0	91%
4	Y2	Broad Green	1138	843	389	454	26%
13	Y2	Norbury	797	492	192	300	38%
19	Y2	South Norwood	989	795	492	303	20%
20	Y2	Thornhill Heath	715	645	173	472	10%
21	Y2	Upper Norwood	964	502	306	196	48%
22	Y2	Waddon	1125	627	324	303	44%
23	Y2	West Thornton	709	339	140	199	52%
1	Y3	Addiscombe	710	710	334	376	0%
3	Y3	Bensham Manor	600	585	65	520	3%
8	Y3	Fairfield	1386	1321	880	441	5%
16	Y3	Selhurst	832	819	224	595	2%
24	Y3	Woodside	721	721	408	313	0%
7	Y4	Croham	0	0	0	0	0%
10	Y4	Heathfield	0	0	0	0	0%
17	Y4	Selsdon and Ballar	0	0	0	0	0%
5	Y4 (Y5)	Coulsdon East	1358	1245	1245	0	8%
6	Y4 (Y5)	Coulsdon West	1166	1166	1145	21	0%
11	Y5	Kenley	0	0	0	0	0%
15	Y5	Sanderstead	0	0	0	0	0%
14	Y5 (Y4)	Purley	0	0	0	0	0%



Consultation & Information

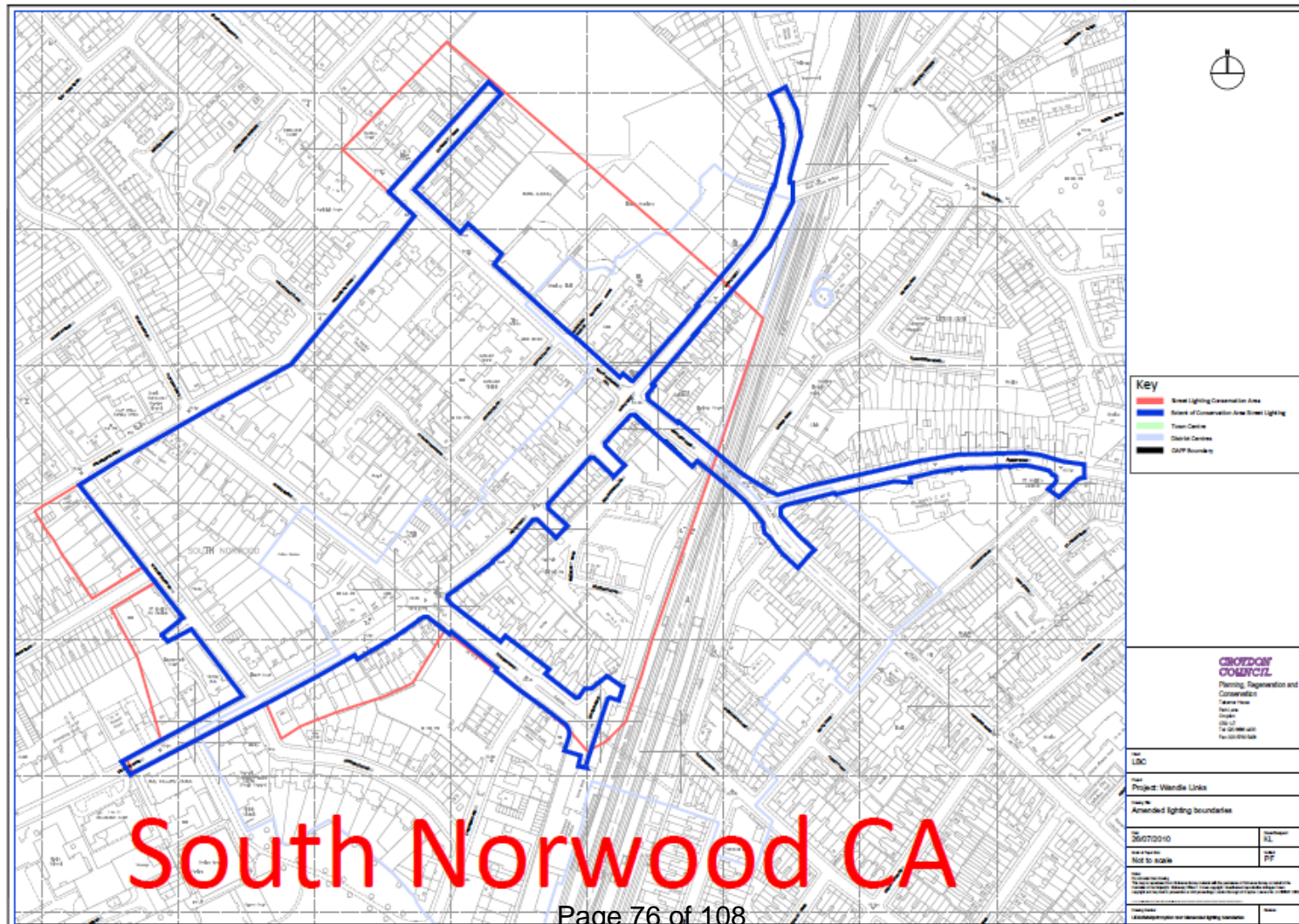
Consultation / Information



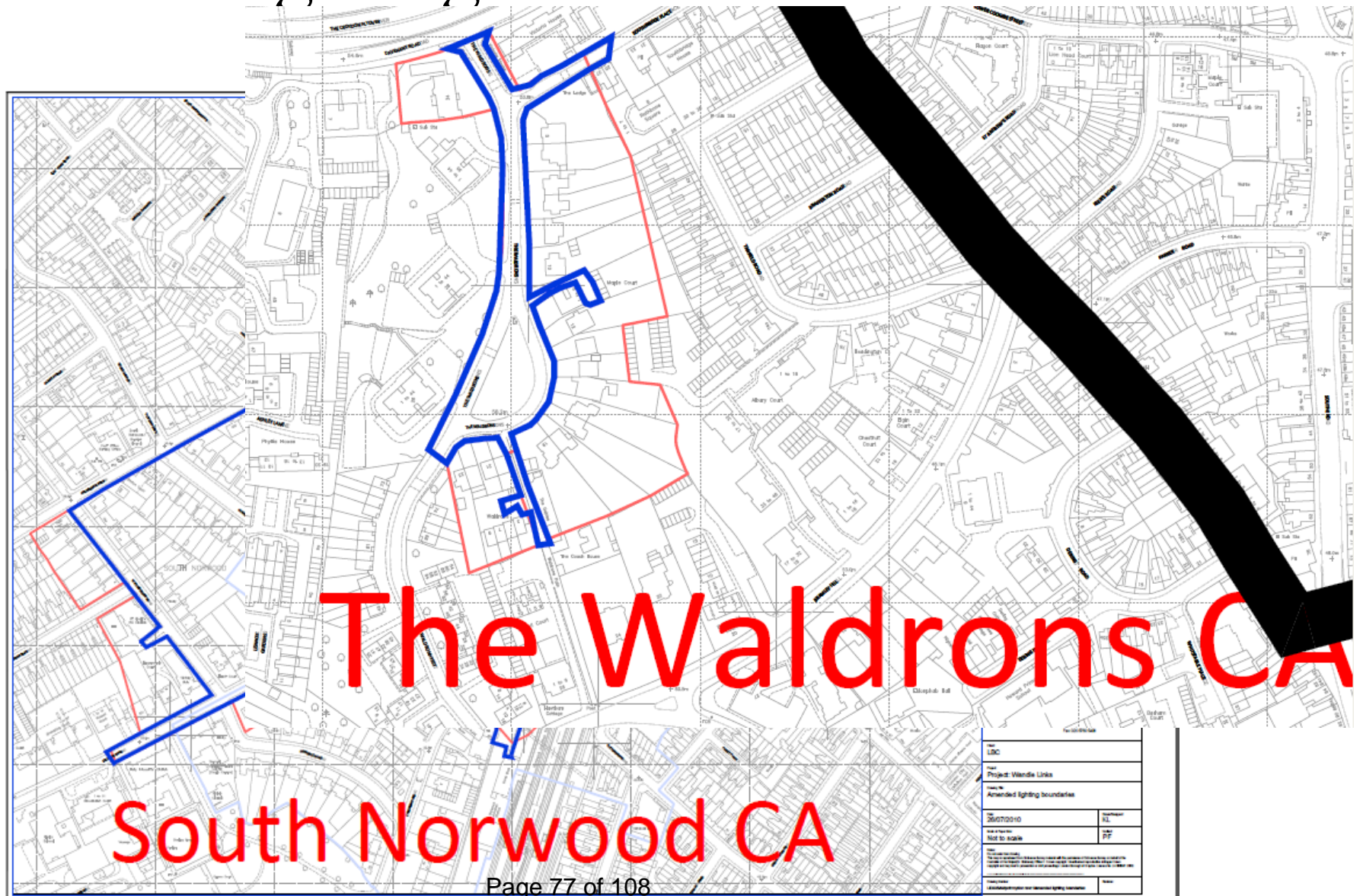
Street Lighting conservation areas

- The council adopts a strategic approach to the protection of its heritage assets in line with current legislation, guidance from English heritage and best practice.
- adopts a pro-active approach through its Local Plan in assessing borough character and interpreting local distinctiveness that underlies the 16 places of Croydon
- The 16 Places of Croydon were developed as a part of the Core Strategy (Croydon Local Plan) and based on a detailed analysis of local and residential character of the borough. Including extensive statutory public consultation during the period 2009-2012
- local character and historic assets, the council carried out a Conservation Area review in 2007-8 which underwent an extensive consultation leading to the designation of nine new conservation areas.
- variation from PFI standard specification - These are within Croydon Metropolitan Centre designated district centres and statutory conservation areas (adjusted to preclude anomalous situations arising such as different street lights on each side of the road and isolated areas).

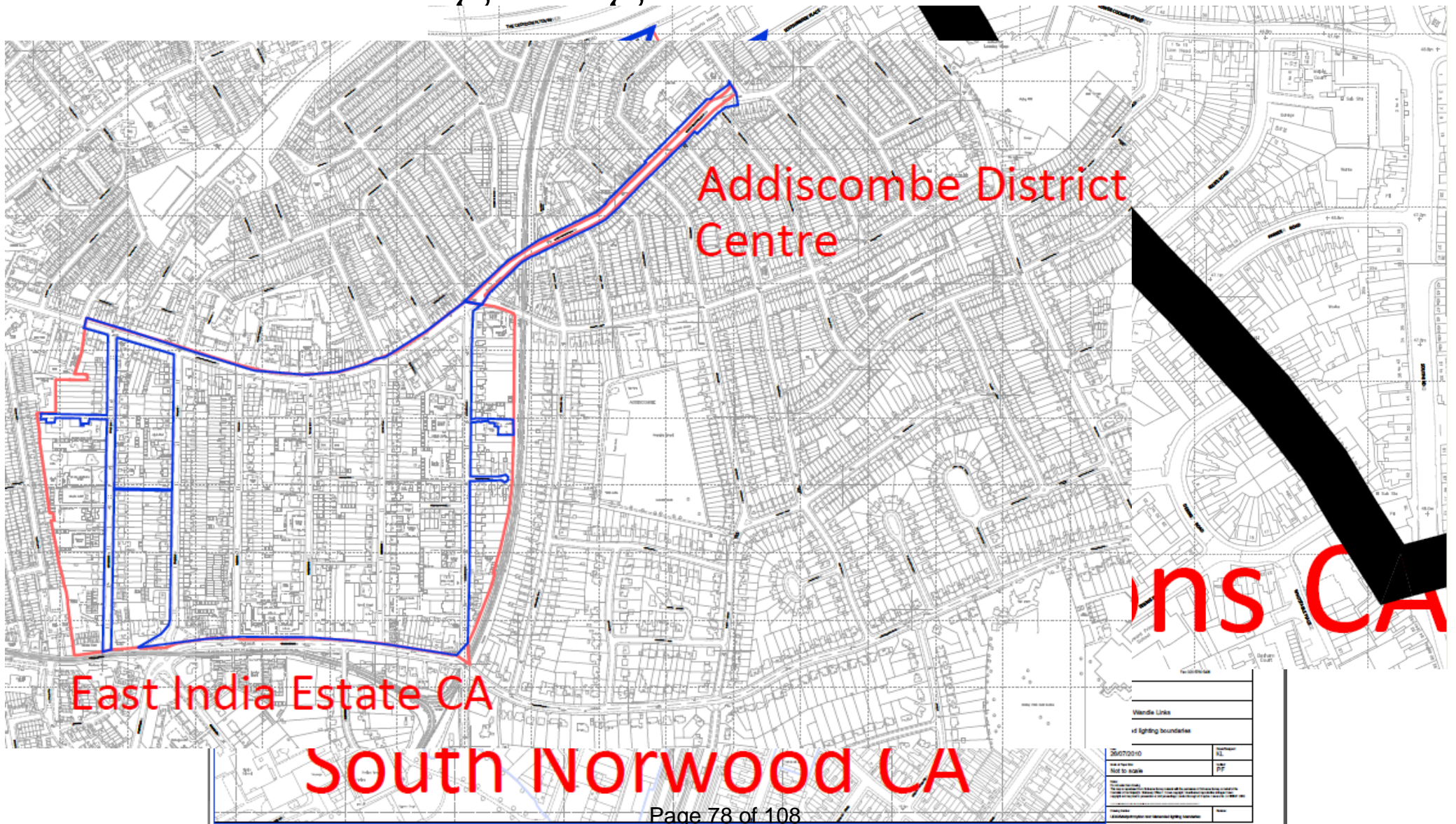
Street Lighting Conservation Areas



Street Lighting Conservation Areas

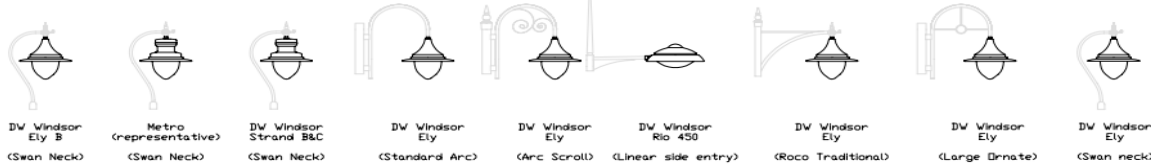


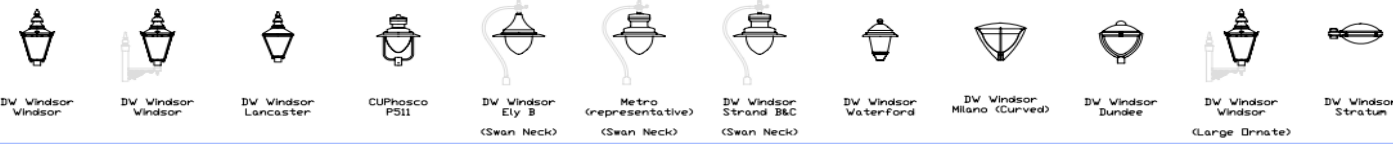
Street Lighting Conservation Areas



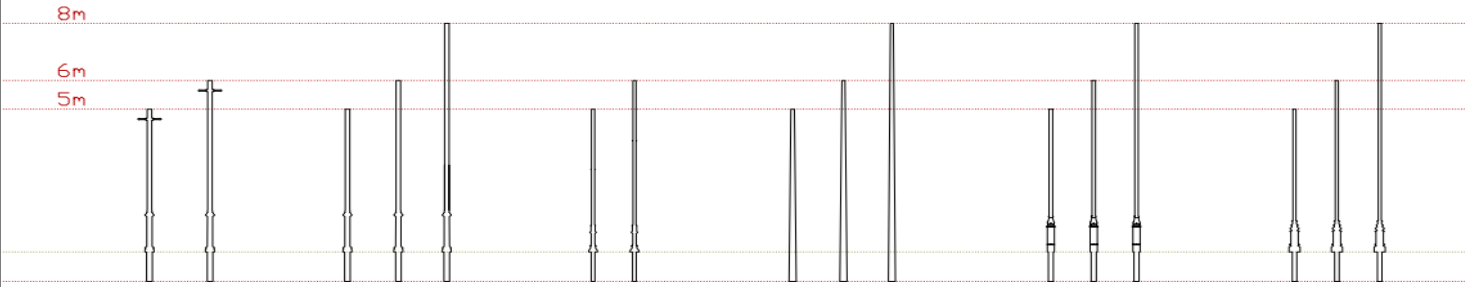
Street lighting conservation area street lighting palette


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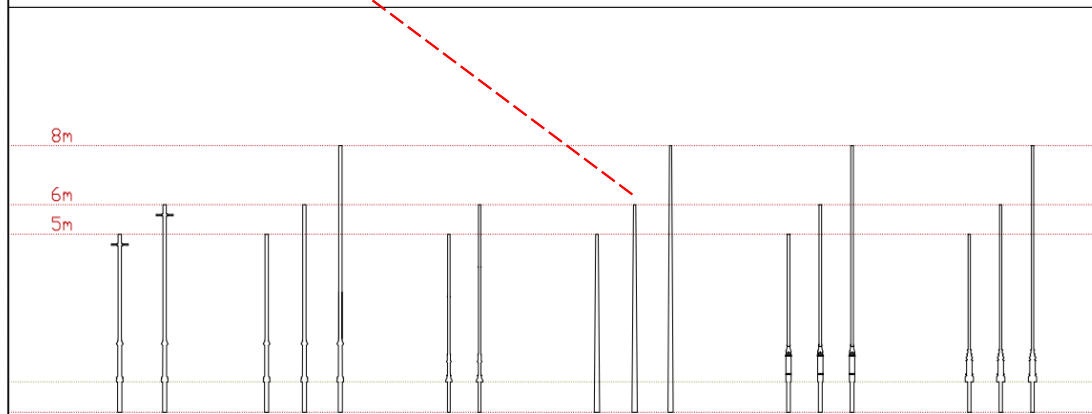
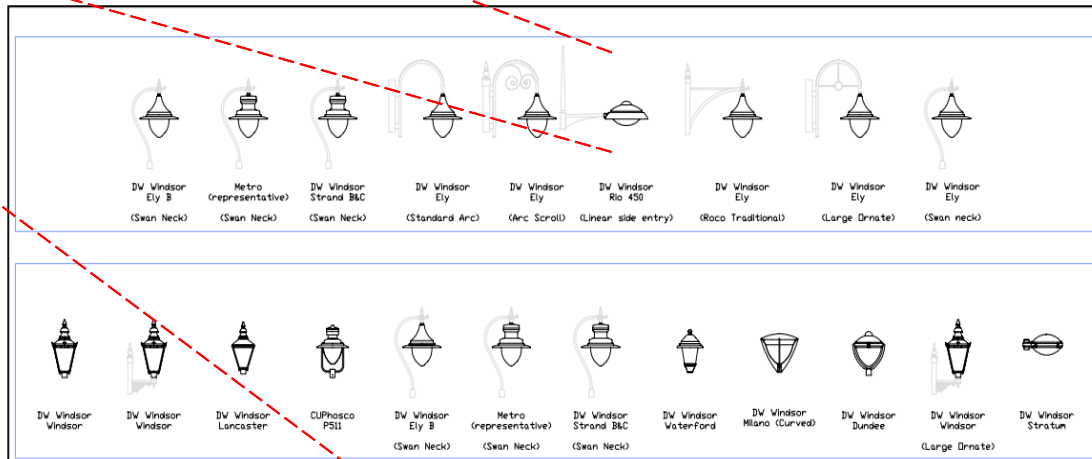
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1.0	26/Aug/2010	P.M.F.	Initial Release	S.I.	L.E.T.
0.4	18/Aug/2010	P.M.F.	Additional Lanterna Added / Proposed Final		
0.3	18/Aug/2010	P.M.F.	Colour / Presentation / Proposed Final		
0.2	12/Aug/2010	P.M.F.	Layout Changes		
0.1	11/Aug/2010	P.M.F.	Initial		



DRAWING STATUS: RELEASE		
 WSP WSP House, The Chase, John Tale Road, Foxholes Business Park, Hertford, SG13 7NN Tel: +44 (0)1992 526 000, Fax: +44 (0)1992 526 001 http://www.wspgroup.com		
CLIENT: CROYDON & LEWISHAM		
PROJECT: CROYDON & LEWISHAM STREET LIGHTING PFI		
TITLE: CROYDON HERITAGE COLUMNS SUGGESTED DESIGN & SPECIFICATION ACCOMPANYING DRAWINGS		
SCALE @ A2: N.T.S.	CHECKED: I.K.T.	APPROVED: S.C.I.
GD FILE: 0209PF03_11.DWG	DESIGN DRAWN: P.M.F.	DATE: 20/Aug/2010
PROJECT No: 10700269	DRAWING No: 0269PF03	REV: 1.1
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DO NOT SCALE					
11	10/04/2010	J.C.A.	Revised to include Lanchester selection	P.A.B.	U.K.T.
12	20/04/2010	P.M.F.	Initial Release	B.I.	U.K.T.
13	18/04/2010	P.M.F.	Additional Lanchester added / Proposed Final		
14	18/04/2010	P.M.F.	Colour / Finishable / Proposed Final		
15	12/04/2010	P.M.F.	Initial Changes		
16	12/04/2010	P.M.F.	Final		
REV	DATE	BY	DESCRIPTION	CHK	APP
WSP WSP House, The Chase, John Tate Road, Farnham Business Park, Farnham, GU14 7YH Tel: +44 (0)1982 528 000, Fax: +44 (0)1982 528 001 http://www.wspgroup.com					
CROYDON & LEWISHAM					
PROJECT: CROYDON & LEWISHAM STREET LIGHTING PFI					
TITLE: CROYDON HERITAGE COLUMNS SUGGESTED DESIGN & SPECIFICATION ACCOMPANYING DRAWINGS					
DESIGN BY:	N.T.S.	DESIGN:	I.K.T.	APPROVED:	S.C.I.
DATE:	02/07/10_LONG	DESIGNED BY:	P.M.F.	DATE:	20/AUG/2010
PROJECT NO:	10700269	DRAWING NO:	0269PF03	REV:	1.1
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REV	DATE	BY	DESCRIPTION	CHK	APP
1.1	26/July/2010	J.C.P.	Revised to include Lewisham selection	P.M.F.	L.L.T.
1.0	20/Aug/2010	P.M.F.	Initial Release	S.L.	L.L.T.
0.4	18/Aug/2010	P.M.F.	Additional Luminaires Added / Proposed Final		
0.3	18/Aug/2010	P.M.F.	Colour / Presentation / Proposed Final		
0.2	12/Aug/2010	P.M.F.	Layout Changes		
0.1	11/Aug/2010	P.M.F.	Initial		

DRAWING STATUS: **RELEASE**

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 WSP House, The Chase, John Tale Road,
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CLIENT: **CROYDON & LEWISHAM**

PROJECT: **CROYDON & LEWISHAM STREET LIGHTING PFI**

TITLE: **CROYDON HERITAGE COLUMNS SUGGESTED DESIGN & SPECIFICATION ACCOMPANYING DRAWINGS**

SCALE @ A4: N.T.S.	CHECKED: I.K.T.	APPROVED: S.C.I.
DWG FILE: 0269PF03_11.DWG	DESIGN DRAWN: P.M.F.	DATE: 20/Aug/2010
PROJECT No: 10700269	DRAWING No: 0269PF03	REV: 1.1

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END

STREETS AND ENVIRONMENT SCRUTINY SUB-COMMITTEE

Minutes of the meeting held on Wednesday 23 July 2014 at 6.30pm in the Council Chamber, Town Hall, Katherine Street, Croydon.

EXTRACT FROM MINUTES – PART A

Present: Councillor Sean Fitzsimons (Chair)
Councillors Sara Bashford (Vice-Chair), Karen Jewitt, Stephen Mann, Paul Scott, Donald Speakman and James Thompson

Also in attendance: Councillors Robert Canning and Andrew Pelling

A8/14 STREET LIGHTING PFI UPDATE

The following officers were in attendance for this item:

- Tony Brooks, Director of Environment
- Steve Iles, Head of Highways and Parking Services
- Neville Brandon, John Wrinn and Richard Newnham (Skanska)
- Kevin Newham and Angelo Fitzhenry (UK Power Networks)

Members were given a presentation on the progress of the Core Investment Programme for Street Lighting PFI (Private Finance Initiative) joint project between Croydon Council and Lewisham Council. The presentation covered the following areas:

- The street lighting replacement strategy
- Key milestone
- The current situation
- Project challenges
- Programme recovery to date
- Plans for future improvements
- Consultation and information
- Street lighting conservation areas

Members focused their questioning on the project challenges outlined by officers. They were advised that approximately 70% of Croydon's street lighting was connected to a very complex dedicated street lighting power supply known locally as the Croydon Central System ("CCS"), which has been found to be unique to this PFI contract. Officers added that this electricity network needed to be decommissioned limb by limb and that a number of stump columns linked to the system needed to be kept temporarily to maintain the integrity of the network.

Officers remarked that lighting columns in Lewisham were connected to the UK Power Network's Distribution Network and therefore were not affected by this issue. In addition, members were informed that Coulsdon east and west wards, where electric street lighting had been introduced

later than more northerly wards, were not affected by the CCS, which had been installed in the early 20th century solely to provide street lighting.

Members questioned officers on their programme recovery plan, which had been drawn up to address significant delays in replacing columns. They were informed that officers hoped to work on two fronts in the same time to make up for lost time and to replace 1000 units a month instead of 800 as originally planned. Officers also admitted that communications needed to be improved, particularly to address issues brought about by the delays.

Members enquired why some streets had been given lighting on one side only. They were advised that this had been due to the fact that there was no power cable on one side of the road. However, they gave members assurances that the lighting had been provided to British Standards.

Members pointed out that research and surveys preceding the signing of the contract had revealed early on that the CCS had a high concentration of different types of wiring, which was very old and in need of replacement. They asked whether the contract had included a risk clause to take into account the possibility of encountering complications when attempting to upgrade the circuitry.

Members enquired how the Croydon and Lewisham PFI differed from other Skanska contracts around the country. Officers explained that this was by far the most challenging contract they had had to deliver for some time. In addition, it was felt that bidders had not had a full understanding of the complexity and scale of non-standard wiring included in their technical drawings.

It was pointed out, however, that a programme of street lighting replacement in 2005-2006 would have revealed the difficulties encountered when working with the CCS and its triple concentric cable, the nature of which made it difficult to work on *live*. Members expressed their surprise at the fact that this knowledge had not be taken into consideration when putting together the bid.

Members questioned officers regarding the upgrading of road signs. Officers confirmed that they were included in the contract but that, as a result of a change in regulations in the last three years, an instruction had been issued to de-illuminate them where possible. This might provide the opportunity to make some savings.

Officers informed members that there were approximately 650 column stumps across the borough. To date some 140 stumps had been removed with a further 53 scheduled to be taken out over the month of August. Asked about the slow speed of removal, officers explained that hasty disconnection might lead to large numbers of new columns malfunctioning and to further delays in implementation.

Members asked about the scrappage value of the old equipment. They were advised that they were owned by Skanska, and that most columns, being life-expired, were likely to go to scrap, while heritage style columns would be recycled.

Members enquired how the programme of lighting replacement had been drawn up. They were advised that an open discussion had taken place between the councils concerned and the contractors, recognising the challenges presented by the CCS but not fully appreciating the difficulties the triple concentric cable would cause. Skanska then put together a work plan, which was agreed by the councils.

Members enquired whether the relationship between contractors Skanska and UK Power Networks (UKPN) was as good as it could be. It was explained that Skanska were the clients of UKPN, from whom they hired jointers to carry out the works. Members were told that the relationship between the two had evolved from day one and developed a better partnership than any other contract. In comparison with an initiative in Cambridge, which was being implemented by two managers, staffing resources allocated to the Croydon and Lambeth contract included a senior programme manager, a programme manager and administrative support. Asked whether jointers could be moved to Croydon from Lewisham, contractors explained that there was flexibility in arrangements between the two boroughs and that contractors had ensured jointers were competent to work on a range of different networks.

Members asked what penalties would be levied in view of the delays in implementation. Officers explained that Skanska were only paid for work done, and that monies which had been due to be paid at this stage of the project were sitting in the council's account, accruing interest.

Members highlighted the inconvenience caused by current delays to local residents and the heightened risk of accidents and continuing fear of crime due to poor lighting. They questioned officers further regarding penalties and were informed that the contract could be terminated if three successive milestones were missed and the work was delayed by 18 months. Contractors explained that they were currently 8 months behind schedule and had been paid for 7000 columns less than planned. As a result, they were planning to increase the number of jointers, improve co-ordination and look for ways to reduce the need to shut down the system (because of the triple concentric cable) to make up for this delay. The cost of additional resources would be paid by Skanska.

Questioned on the flexibility of the lighting system, officers explained that each new light was connected to a system which could dim it or turn it up according to local need. Asked about the quality of light to be provided, officers stated that it was based on British Standard EN13201 (Part 2). Officers also explained that there was a detailed lighting plan for each street in the borough, which were designed to minimise the likelihood of obstructive lighting. Officers affirmed that the new lighting was more direct

and focused on the areas to be lit. They had heard some residents complain that they could no longer clearly see their front door locks as the level of lighting around their homes had been reduced after the installation of new columns.

Members reported that some columns had been put in in the middle of the pavement, causing an obstruction to individuals with prams or in wheelchairs. They expressed their disappointment at the lack of consultation undertaken with residents regarding the installation of new lighting and explained that displaying small notices on the forthcoming installation of new columns on pavements had given residents no opportunity to discuss any emerging issues with the contractor and put forward practical alternatives.

Officers admitted that lighting should never be put in the middle of pavements and explained that the position of columns had been set to meet British Standard lighting levels. They added that property boundaries were also prioritised as preferred locations. Officers acknowledged that consultation on lighting could be improved. However, they affirmed that the position of some columns had been changed following discussions with local residents.

A local resident was invited to share his concerns regarding the installation of new lighting columns. He was given written answers to a list of questions which had been submitted to council officers prior to the Scrutiny meeting. He asked whether Skanska had produce a lighting design for each street in the borough, taking their unique characteristics and needs into consideration, and was given detailed street lighting designs for Lebanon, Cedar and Chisholm Roads. He also highlighted issues with light spillage but was given assurances that the new lights were more directional and caused less light pollution than those which they had replaced.

Officers were asked why lighting works on Bingham Road (Addiscombe) had taken three months (from November 2013 to February 2014) and undertook to make further enquiries on this matter.

Members reported that sections of pavements had been completely blocked off during works, endangering walkers who had to step onto busy roads to circumvent them and presenting a major obstacle to the wheelchair-bound. Officers encouraged members to report the location of any such blockages so that they could be addressed promptly.

Members were advised that the contract was monitoring through twice yearly joint committee meetings with Lewisham councillors. They felt that these meetings had failed to scrutinise the implementation of the contract thoroughly and effectively and called for significant improvements to this process.

At the end of this item, Members expressed their disappointment with the poor quality of the answers given by the Skanska contractor to their questions and their consternation at the fact that it was officers of the council who stepped in and answered members' questions and concerns. The performance of Skanska both in delivering the contract and in failing to address members' concerns led them to conclude that the management of risks associated with this initiative had been left with the council rather than the organisation undertaking the 'capital replacement' element, and that this is contrary to the key principle of Private Finance Initiatives.

The Sub-Committee reached the following conclusions:

- Serious concerns were expressed regarding the backlog in the street lighting programme
- Dismay was expressed regarding the delays due to the CSS and its triple concentric cable as these issues would have been known to the Council and Skanska in 2006 prior to the signing of the contract
- Members called for significant changes to the contract monitoring process to ensure that they are robust, that all issues relating to the implementation of the contract are detected and tackled swiftly and efficiently and that the scrutiny process becomes transparent
- Members stressed that lessons should be learnt from this Scrutiny review to ensure that future scrutiny of council contracts yielded positive and tangible outcomes
- Consultation with residents needed improvement to ensure that residents had an opportunity to share concerns about the placement of lighting columns or other aspects of the work
- Local councillors and MPs should be provided with copies of all consultation materials and other communications about street lighting installations in their ward
- Officers should ensure that walkers should not be compelled to walk onto roads to get round blockages on pavements due to ongoing work
- Members requested that information be produced on the cost of the delays to the council, the community and contractors and stressed that action should be taken to ensure that the council suffered no losses
- Members requested further information on the controls and penalties included in the street lighting contract
- A follow-up agenda item on street lighting should be added to the Sub-Committee's work programme
- Members asked for a walkabout to be organised in the Addiscombe and Ashburton area to examine works carried out and identify areas for improvement.

RESOLVED:

- That a follow-up agenda item on street lighting be added to the Sub-Committee's work programme.
- That a 'walkabout' be organised in the Addiscombe and Ashburton area to examine works carried out and identify areas for improvement.

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For general release

REPORT TO:	STREETS AND ENVIRONMENT SCRUTINY SUB-COMMITTEE 23 JULY 2014
AGENDA ITEM:	8
SUBJECT:	STREET LIGHTING PFI - UPDATE
LEAD OFFICER:	Jo Negrini, Executive Director, Development & Environment
CABINET MEMBER:	Cabinet Member for Transport and Environment
LEAD PERSON AT THE MEETING:	Steve Iles, Head of Highways and Parking

ORIGIN OF ITEM:	This item is contained within the initial Work Programme 2014-15 for the Streets & Environment Sub-Committee.
BRIEF FOR THE COMMITTEE:	To provide an update on the progress of the Core Investment Programme for Street Lighting PFI (Private Finance Initiative) joint project between Croydon Council and Lewisham Council.

1. EXECUTIVE SUMMARY

This report provides an update to the committee on the progress of the Street lighting Core Investment Programme.

1.1. Background**What is Private Finance Initiative (PFI) funding?**

The government recognised that, across the county, many local authorities are faced with a backlog in the replacement of capital equipment be it schools, hospitals, roads or street lighting. In order to tackle this backlog, the government provides PFI funding to support capital investment projects. The funding – PFI credits – is a grant from central government to the local authorities which covers the anticipated capital investment.

A second key objective of the PFI funding programme is that the risks and responsibilities associated with running a public service should be placed where they can best be managed: i.e. the ‘service’ element is transferred to the same organisation that is undertaking the ‘capital replacement’ element. In the case of this project, that means Croydon & Lewisham transferred our existing street lighting services to an external street lighting Service Provider Skanska Laing

(SKL).

A condition of the PFI grant is that the authorities agree a relationship with a Service Provider that is based on the Treasury's standardised PFI Model Contract. The Model Contract incorporates best value by obligating the Service Provider to maintain the equipment appropriately and for the authorities to pay for such a service.

2. Service scope

- 2.1. The scope of the service includes the provision of street lighting services including the design, installation and operational maintenance of existing and new apparatus. The table below represents the apparatus quantities within the scope at service commencement and the expected quantity upon completion of the initial Core Investment Programme (CIP).
- 2.2. Under the contract all of the existing equipment will be replaced or otherwise brought up to modern standards within the first five years, along with de-illumination of illuminated signs and bollards where ever possible due to changes in the Traffic Signs Regulations Guide (TSRG)
- 2.3. Under the contract the equipment will be maintained and operated for the whole of the 25 years and then handed back to the councils in a satisfactory condition.
- 2.4. The contract was awarded in December 2010 and financial close was achieved in April 2011. The contract was mobilised shortly after with a service commitment in July 2011.

Item	Description	@ Service Commencement
1	Lighting Columns – Deemed to comply **	4,252
2	Lighting Columns – Non Deemed to Comply	38,039
3	Illuminated traffic signs	6,471
4	Non – Illuminated traffic signs*	0
5	Illuminated bollards	1,933
6	Non – illuminated bollards	0
7	Subway lighting points	19
8	Feeder Pillars	100
	Total	50,814

*Both authorities have undertaken to de-illuminate their stock of illuminated traffic signs and bollards where possible.

**It should be noted that although the Deemed to Comply lighting columns are within project scope this apparatus will not be replaced during the CIP, it will however receive a lantern change to ensure the unit is connected to the central management system.

3. Performance Management

3.1. The contract has a suite of Performance Standards as set out in the Project Agreement & Output Specification, the performance is reviewed on a monthly basis as part of the “Monthly Monitoring Report” and this is linked directly to any financial adjustments for failing to meet the minimum requirements set out each performance standard.

Linked to these Performance Standards are Method Statements detailing how the Service Provider is intending to deliver the Performance Standard?

Performance Standards

Performance Standard	Description
PS1	Core Investment Programmes
PS2	Planned Maintenance, Inspection and Testing
PS3	Operational Responsiveness and Reactive Maintenance
PS4	Contract Management and Customer Interface
PS5	Strategic Assistance and Reporting
PS6	Working Practices
PS7	Reporting to the Authority
PS8	NOT USED
PS9	Central Management System

For the purpose of this report as requested by the Committee it focusses on the progress of the Core Investment Programme (PS1).

4. Performance Standard 1- Core Investment Programmes

4.1. The Core Investment Programme (CIP) covers a period of five (5) years from the Service Commencement Date (July 2011). The CIP has been prioritised considering the crime level, age, structural and/or electrical condition of the stock, operational efficiency and lighting levels, taking into account the results of the due diligence carried out on the Croydon Central System.

4.2. The Service Provider shall design and install new apparatus during the five year CIP across both boroughs to the current relevant standards. The Payment Mechanism sets out that the Service Provider only gets paid once the schemes are certified as complete and not based on the predicted Milestones. There are 10 No Milestones (6 monthly) within the CIP programme please see section 6 below for the full details.

- 4.3. The Service Provider will work with the Authority at a strategic level to amend the CIP if necessary, to take into account the objectives for the Authority around safety and security, improved housing, town centre re-development, transportation schemes and environmental management and sustainability.
- 4.4. The presence of the Croydon Central System (CCS) is the major deciding factor for programming the works in Croydon, as the network architecture requires the works to be carried out from outside to in i.e. working from the outer part of the borough into the middle, thereby isolating and abandoning the CCS on a limb by limb basis. This requirement will feed into a ward by ward, and sub-ward by sub-ward, programme for ease of geographical planning and execution.
- 4.5. In Lewisham the CIP is geographically based on a ward basis for programme efficiency, but also considers Metropolitan Police crime figures and the presence of an inter-connected network.

5. The Replacement Strategy

- 5.1. The Service Provider's replacement strategy is based upon the following key principles:
- CCS abandonment from the "outside in" on a ward by ward basis
 - Design bank based flexibility in the replacement programme
 - Parallel delivery teams to reduce risk of delay
 - Replacement within both Boroughs at any one time to ensure a sharing of the benefits of the Project and improved risk management.
 - Replacement of illuminated signs and bollards in conjunction with lighting works
 - Use of asset condition survey data to influence future years' programmes
 - Operational efficiency and best value
 - Early consultation as described in Method Statement 5 (Consultation) to solicit Authority input
 - Consideration given to transportation schemes, improvement plans and Authority requests
- 5.2. There are a number of temporary CCS Feeder Points that need to remain in situ on a temporary basis, to provide power to an adjacent street in order to maintain an electrical supply to the Lighting Points, which will be treated as a snagging item only once they have been de-energised by disconnection from the CCS. Until this point in time, the status of all such Temporary CCS Feeder Points will be recorded on the Management Information System (MIS) as a 'neutral snagging' item to ensure they remain visible and are reported on, until they can be removed as part of an adjacent street or scheme.

Temporary CCS Feeder Points will be recovered as soon as it is practically possible to do so after they are no longer required for the electrical supply of adjacent Lighting Columns. Skanska & UK Power Networks are working closely to ensure a continuous programme is in place for these feeder points to be removed.

Due to the nature of the works and the complexity of power network the programme has been affected and subject to delays.

The project calendar is approaching Milestone 6 at 31st July 2014, which is highlighted below:

Milestone	Milestone Completion Date	Total Lighting Points removed
1	6 months after planned service commencement date	207
2	12 months after planned service commencement date	3,107
3	18 months after planned service commencement date	7,148
4	24 months after planned service commencement date	12,009
5	30 months after planned service commencement date	16,885
6	36 months after planned service commencement date	22,915
7	42 months after planned service commencement date	28,940
8	48 months after planned service commencement date	34,316
9	54 months after planned service commencement date	39,683
10	60 months after planned service commencement date	46,665

Current performance

Period	Lighting points installed	Lighting Points connected by UKPN & PCN	Lighting points certified
June14	20,655	14,590	14,207

As of May's monthly performance report the number of lighting points removed as detailed above was 14,207, it is important to note that the number of lighting points installed is 20,655 thus there are 6,448 lighting points without a power supply. This reflects the CIP is currently behind schedule by approximately 8 months.

6. Programme by ward

As part of the tender submission Skanska submitted the year one programme and an indicative programme for years 2-5. Please see appendix 1

The Service Provider was charged with the development of an improvement plan focusing on recovering the slippage to the programme. The plan consists of both a best case and likely case scenario. T, the likely case scenario

To assist the Service Provider to recover the delay in the CIP the authority has agreed to allow wards to be pulled forward such as Coulsdon East & Coulsdon West as these wards are less complex due to the absence of the Croydon Central System (CCS) and the Triple Concentric Main (TCC). Appendix 2- Core investment Programme

6.1. Project Challenges

Undertaking the connections, disconnections & transfers to remove and install new lighting points drops into two categories:-

- **Contestable works** - Contestable works are Jointing works that require connection directly to a mains cable. These are elements of the work that can only be completed by the Distribution Network Operator (DNO) (UKPN).
 - **Non – Contestable works** - Jointing works that do not involve connection to mains cable. These are elements of the works that can be completed by either an Independent Connections Provider (ICP) or the DNO
- 6.2. Approximately 70% of Croydon’s street lighting infrastructure is connected to a dedicated street lighting power supply. This arrangement, known locally as the Croydon Central System (“CCS”), was originally developed by the local authority in the early 1900’s. The CCS is switched by the Distribution Network Operator (“DNO”) UK Power Networks.
- 6.3. The on-going maintenance problem of the CCS has resulted in the DNO placing an embargo on the re-use of this network and once all the old lighting points are taken off it as they are intending to abandon it. All new or replacement lighting columns installed are therefore removed from the CCS and connected onto the DNO “LV mains network”.
- 6.4. The Service Provider, UKPN and the authority have been aware of the need to abandon this network and have worked to minimise the disruption to the street lighting service whilst we transverse through the CIP period. The CCS is extremely complex and needs to be decommissioned limb by limb but still maintaining a network to serve remaining lights. Stump columns were always a necessity to maintain the integrity of the network; these stumps are being removed as soon as practically possible without compromising the ability to maintain the CCS network. There are approximately **650** stumps and to date some **140** stumps have been removed with a further **53** over the next month. UKPN and the Service Provider are working closely to ensure a regular stump removal programme is in place.

The stumps are all labelled and recently the labels have been reviewed and now provide better clarity as to what they are and a contact number should members of the public want to call in.

It is important to note all lighting columns in Lewisham are connected to the DNO network and therefore are not affected by this issue.

- 6.5. Design – initial challenges with agreement on differing expert interpretation of the design standards have substantially been resolved.
- 6.6. Jointing Resources – Both Skanska and UKPN have been resourcing the

programme but the number of jointers has been inconsistent and the outputs per jointing team vary, thus making it very difficult to programme schemes.

- 6.7. Jointing Solution for new service connections on TCC Main – UKPN & Skanska have been working to optimize the number of UKPN jointing on this network, the challenge is the restrictions on shutdowns are limited to customers in a road being off supply for 6 hours. To forward plan these works UKPN have Authorised Person (AP) resource to survey, plan and organise shutdowns to maximize the number of joints during anyone shutdown.
- 6.8. The condition of the existing UKPN network infrastructure, particularly the Link Boxes being life –expired, was raised by UKPN as an issue for organising shutdowns of the TCC. To shut down the cable this is done through Link boxes (this allows the power to be isolated within the chamber), this has proved difficult due to the condition of Link Boxes. UKPN have a link box replacement programme and are working with Skanska to align with the requirements of the PFI CIP programme
- 6.9. Croydon borough has been surveyed and the extent of the types of cable network can be seen in Appendix 3

7. Improvements to recover delay to date

- 7.1. Jointing Resource - Increased jointing resources implemented over the past 12 months jointing teams have been increased from 8 teams to 18 teams now covering borough boroughs.
- 7.2. Shutdown Planning - Dedicated resource from UKPN to survey, plan and organise shutdowns
- 7.3. Link Box conditions - Survey for shutdowns identifies life-expired Link Boxes. UKPN then attempt to facilitate a replacement link box to be installed under its Link Box replacement programme.
- 7.4. Survey of TCC Network and designing away from TCC network where possible
- 7.5. Original 10,000 TCC new services – currently reduced to 8,800 this review is ongoing.

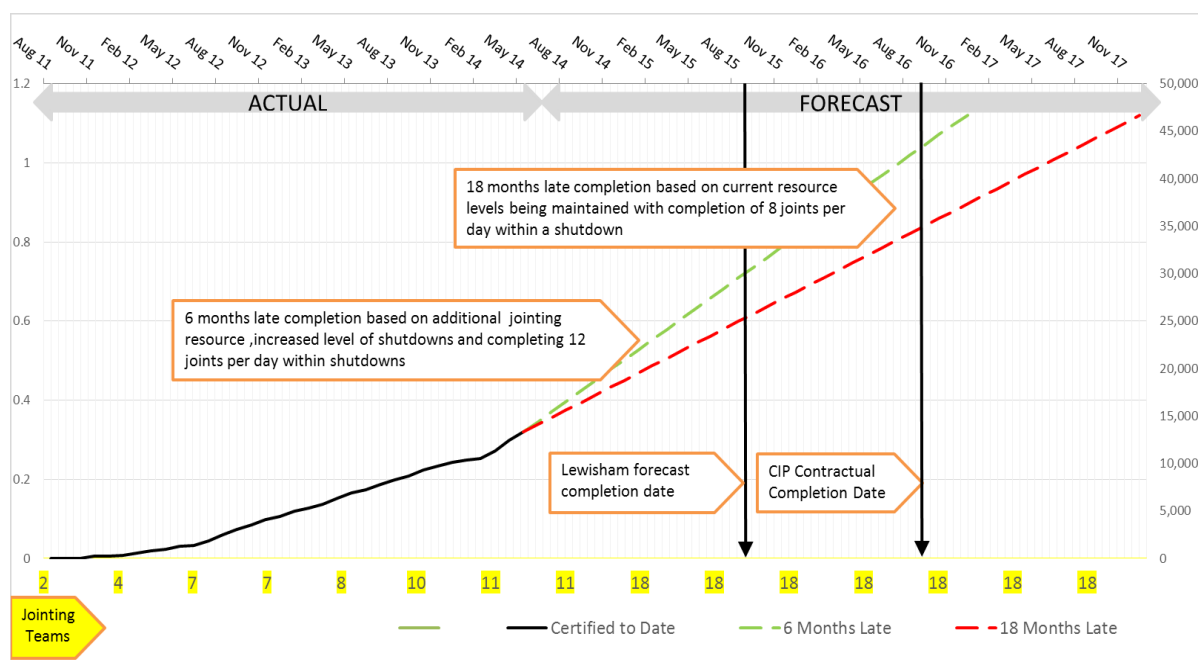
8. Current & Forward improvements

- 8.1. The council, Skanska and UKPN continue to work on developing improved productivity on the Core investment programme, these measures include:-
 - Pursue Asset Owner agreement with Client and Internally within Skanska as Owner (this has been discounted due to authority legal advice)
 - Additional jointing teams from UKPN
 - Additional Utilities resource to manage UKPN, investigating new solutions that are within the market.
 - Increase the number of shutdowns for TCC.

- Skanska Utilities implemented through Asset Owner Agreement to improve productivity
- Co-location of Jointing resource to project office driving improved communication and productivity with Jointing resource and its supervision
- A forward plan for year 4 and 5 program
- The plan moving forward within Croydon is to progress two working fronts in a logical manner.
- Investigation alternative solutions with UKPN on jointing of TCC cable
- Planning on removals of stumps detailed from recently received information on the CCS network from UKPN – separate follow up resource teams removing the CCS stump
- Moving progression on Year 4 and 5 wards allows Skanska to improve productivity on standard LV cable networks which is detailed below as the more prominent TCC networks are within the northern wards of Croydon

9. What this is expected to deliver

The Service Provider was charged with the development of an improvement plan focusing on recovering the slippage to the programme. The plan consists of both a best case and likely case scenario. The likely case scenario currently sets out the overall programme will slip by approximately 18months. Considering the improvements to date and improvements being considered currently the overall core investment programme is expected to recover and is currently projected to be approximately 6months late.



The project continues to drive for continuous improvement and where practically possible is seeking to improve the expected delay in completing the 5 year programme. Please see appendix 4- Core investment Programme expected case

10. Consultation

Consultation on the delivery of the CIP programme is split into two categories:-

10.1. Strategy Consultation

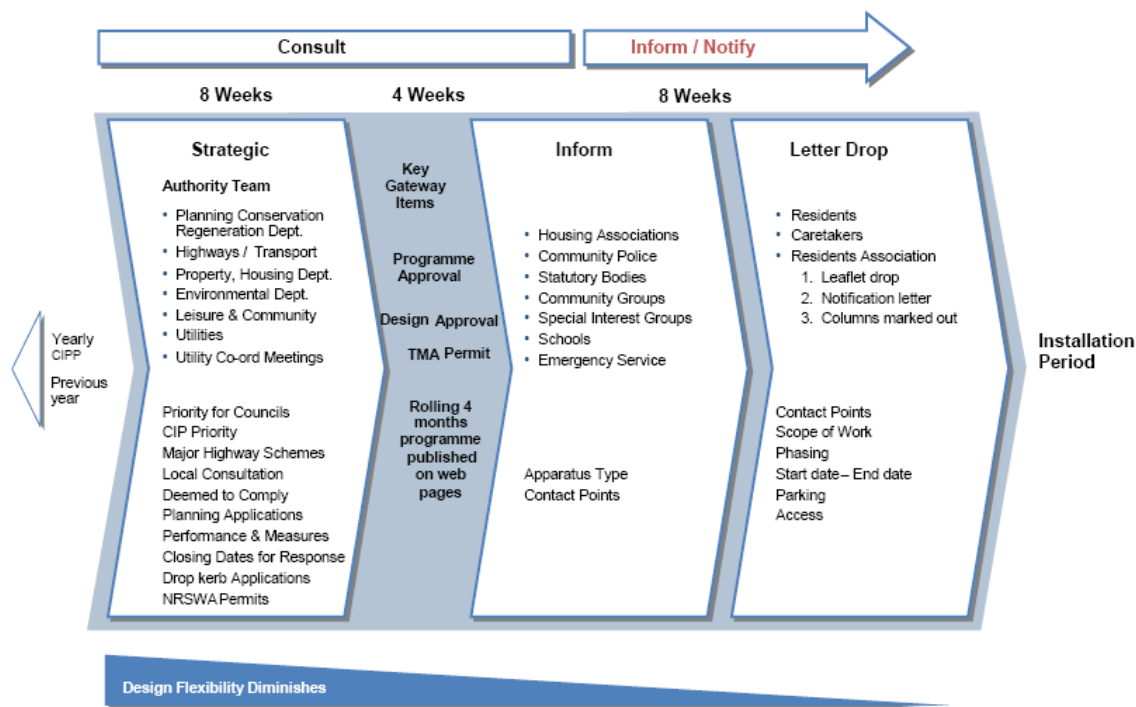
The Service Provider proposes that the strategic consultation between the Service Provider and Authority representatives be conducted via a series of Core Investment Programme (CIP) consultation meetings, where the proposed Investment Programmes for the following year will be discussed and approved. The attendees for these meetings will need to be agreed as soon as possible.

10.2. Operational communication

The Service Provider understands that after the strategic consultation has taken place and the CIP agreed, in reality there will be limited opportunity to amend the plan at the behest of a resident or stakeholder group without creating a myriad of forums and solutions that may hinder efficient programme delivery.

The purpose of operational-level communication is to ensure that residents and other stakeholders are aware in a timely manner of works starting as the CIP requires detailed planning in order to complete the works with minimum disruption to local communities. Effective local communication will therefore contribute to the efficient delivery of the CIP.

The Service Provider will use a leaflet drop to provide this notification for all programmed works under the CIP. This leaflet will be distributed to affected residents 8 weeks before the Apparatus replacement is undertaken, further reinforced by a start notification letter 4 weeks before installation commences.



Appendices

Number and list any attached appendices

Appendix 1 – Core investment Programme at service commencement

Appendix 2 – Core investment Programme (current)

Appendix 3 – TCC and CCS Location heat map

Appendix 4 - Core investment Programme expected case

CONTACT OFFICER: Steve Iles – Head of Highways & Parking services

BACKGROUND DOCUMENTS:

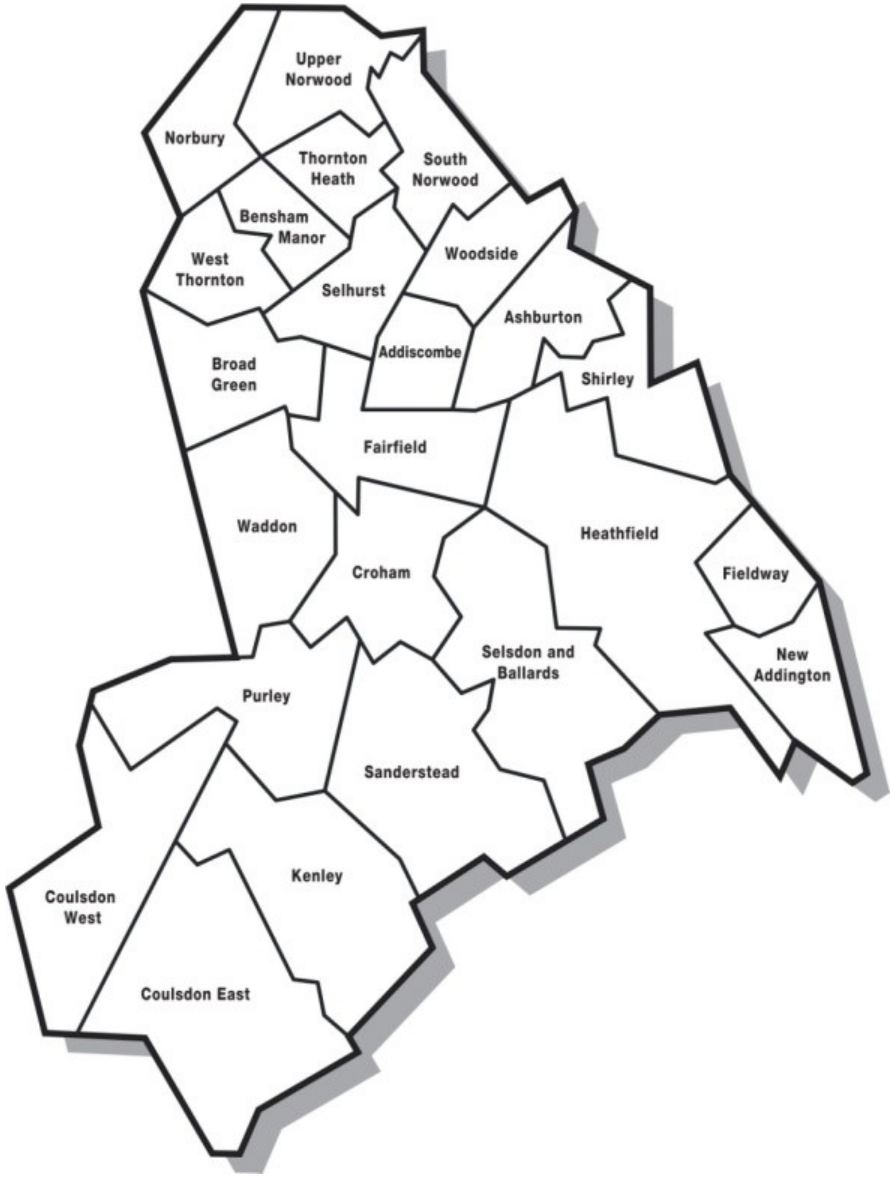
Final Business Case

<http://www.croydon.gov.uk/contents/departments/transportandstreets/pdf/stlight.pdf>

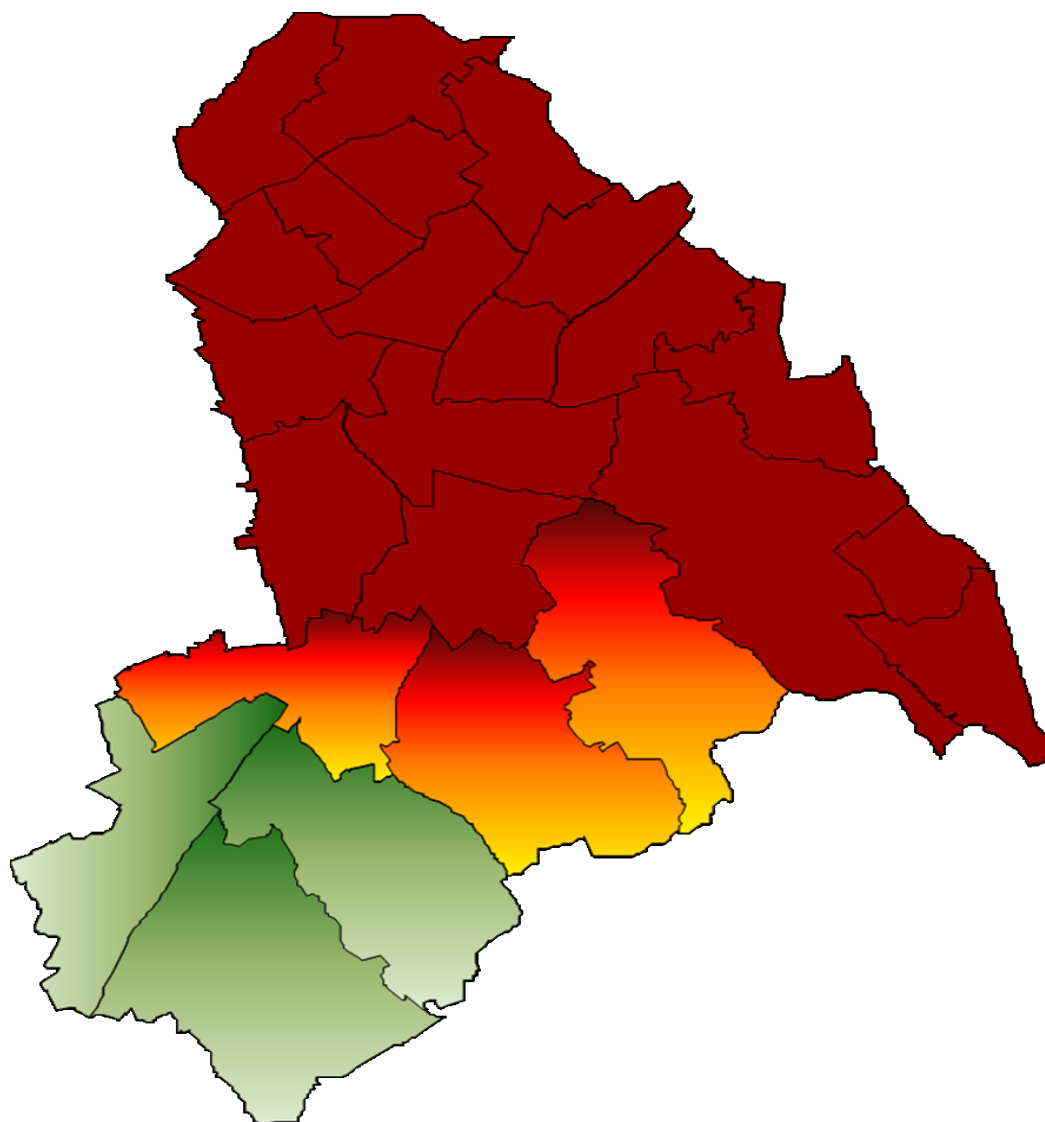
Appendix 1 - Core investment Programme at service commencement

<p>Year 1 New Addington Fieldway Shirley Ashburton</p> <p>Year 2 South Norwood Upper Norwood Norbury West Thornton Broad Green Thornton Heath</p> <p>Year 3 Woodside Bensham Manor Selhurst Addiscombe Fairfield Waddon</p> <p>Year 4 Heathfield Selsdon & Ballards Purley Croham</p> <p>Year 5 Sanderstead Coulsdon West Kenley Coulsdon East</p>	 <p>The map displays the geographical layout of Croydon, divided into wards. The wards are labeled as follows: Upper Norwood, Norbury, Thornton Heath, South Norwood, West Thornton, Bensham Manor, Selhurst, Woodside, Broad Green, Addiscombe, Ashburton, Shirley, Fairfield, Waddon, Croham, Heathfield, Fieldway, Selsdon and Ballards, New Addington, Purley, Sanderstead, Coulsdon West, Kenley, and Coulsdon East. The map is oriented with North at the top.</p>
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Appendix 2- Core investment Programme (current)

<p>Year 1 New Addington Fieldway Shirley Ashburton</p> <p>Year 2 South Norwood Upper Norwood Norbury West Thornton Broad Green Thornton Heath</p> <p>Year 3 Woodside Bensham Manor Selhurst Addiscombe Fairfield Waddon Coulsdon West (Part) Coulsdon East (Part)</p> <p>Year 4 Heathfield Selsdon & Ballards Purley Croham</p> <p>Year 5 Sanderstead Coulsdon West (Part) Kenley Coulsdon East (Part)</p>	 <p>The map shows the following allocations:</p> <ul style="list-style-type: none"> Year 1: New Addington, Fieldway, Shirley, Ashburton. Year 2: South Norwood, Upper Norwood, Norbury, West Thornton, Broad Green, Thornton Heath. Year 3: Woodside, Bensham Manor, Selhurst, Addiscombe, Fairfield, Waddon, Coulsdon West (Part), Coulsdon East (Part). Year 4: Heathfield, Selsdon & Ballards, Purley, Croham. Year 5: Sanderstead, Coulsdon West (Part), Kenley, Coulsdon East (Part).
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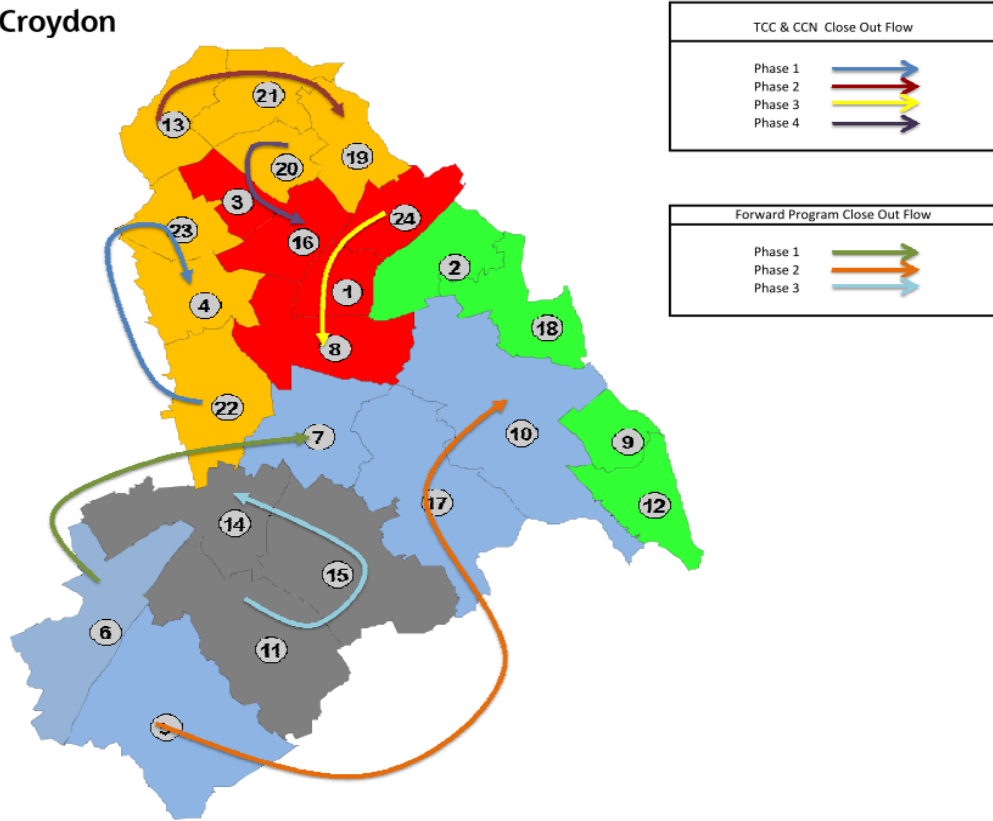
Appendix 3 – TCC and CCS Location heat map



Ward	Year	Ward	Croydon Central Netwo
2	Y1	Arboretum	Above 60%
3	Y1	Fieldway	Above 60%
12	Y1	New Addington	Above 60%
18	Y1	Shirley	Above 60%
4	Y2	Broad Green	Above 60%
13	Y2	Narbury	Above 60%
13	Y2	South Norwood	Above 60%
20	Y2	Thornton Heath	Above 60%
21	Y2	Upper Norwood	Above 60%
22	Y2	Waddon	Above 60%
23	Y2	West Thornton	Above 60%
1	Y3	Addiscombe	Above 60%
3	Y3	Banham Manor	Above 60%
8	Y3	Fairfield	Above 60%
16	Y3	Selhurst	Above 60%
24	Y3	Woodside	Above 60%
7	Y4	Graham	Above 60%
10	Y4	Heathfield	Above 60%
14	Y4	Purley	20%
17	Y4	Selhurst and Ballards	20%
5	Y5	Cauldron East	10%
6	Y5	Cauldron West	10%
11	Y5	Kenley	10%
15	Y5	Sanderstead	20%

Appendix 4- Core investment Programme expected case

Croydon



Ward	Year	Ward	Total	Outstanding	Design	WIP	% Certified
2	Y1	Ashburton	955	73	22	51	92%
9	Y1	Fieldway	639	3	3	0	100%
12	Y1	New Addington	662	19	17	2	97%
18	Y1	Shirley	1080	97	97	0	91%
4	Y2	Broad Green	1138	843	389	454	26%
13	Y2	Norbury	797	492	192	300	38%
19	Y2	South Norwood	989	795	492	303	20%
20	Y2	Thornton Heath	715	645	173	472	10%
21	Y2	Upper Norwood	964	502	306	196	48%
22	Y2	Waddon	1125	627	324	303	44%
23	Y2	West Thornton	709	339	140	199	52%
1	Y3	Addiscombe	710	710	334	376	0%
3	Y3	Bensham Manor	600	585	65	520	3%
8	Y3	Fairfield	1386	1321	880	441	5%
16	Y3	Selhurst	832	819	224	595	2%
24	Y3	Woodside	721	721	408	313	0%
7	Y4	Croham	0	0	0	0	0%
10	Y4	Heathfield	0	0	0	0	0%
17	Y4	Selsdon and Ballar	0	0	0	0	0%
5	Y4 (Y5)	Coulsdon East	1358	1245	1245	0	8%
6	Y4 (Y5)	Coulsdon West	1166	1166	1145	21	0%
11	Y5	Kenley	0	0	0	0	0%
15	Y5	Sanderstead	0	0	0	0	0%
14	Y5 (Y4)	Purley	0	0	0	0	0%

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