

# Public Document Pack

## Croydon & Lewisham Street Lighting Joint Committee

To:

### Representing the London Borough of Croydon

Councillor Muhammad Ali, London Borough of Croydon  
Councillor Patsy Cummings, London Borough of Croydon

### Representing the London Borough of Lewisham

Councillor Amanda De Ryk, London Borough of Lewisham  
Councillor Patrick Codd, London Borough of Lewisham

A meeting of the **Croydon & Lewisham Street Lighting Joint Committee** will be held on **Thursday, 21 October 2021** at **6.30 pm** in **F10, Town Hall, Katharine Street, Croydon CR0 1NX**

Katherine Kerswell  
Chief Executive  
London Borough of Croydon  
Bernard Weatherill House  
8 Mint Walk, Croydon CR0 1EA

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Wednesday, 13 October 2021

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020 8726 6000 x52729 as detailed above.

## **AGENDA**

**1. Apologies for absence**

To receive any apologies for absence from any members of the Committee.

**2. Minutes of the previous meeting (Pages 3 - 6)**

To approve the minutes of the meeting held on 15 October 2020 as an accurate record.

**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 to the value of which exceeds £50 or multiple gifts and/or instances of hospitality with a cumulative value of £50 or more when received from a single donor within a rolling twelve month period. 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 Democratic Services representative at the start of the meeting. The Chair 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 of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

**5. Joint Street Lighting PFI Update (Pages 7 - 24)**

The joint report of the Executive Director of Place (Croydon) and Executive Director for Housing, Regeneration and Public Realm. (Lewisham) is attached.

**6. Exclusion of the Press & Public**

The following motion is to be moved and seconded as the "camera resolution" where it is proposed to move into part B of a meeting:  
"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".

## **Croydon & Lewisham Street Lighting Joint Committee**

Meeting of held on Thursday, 15 October 2020 at 6.30 pm  
Held remotely via MS Teams

### **MINUTES**

**Present:** Councillor Stuart King (Chair);  
Councillor Sophie McGeevor (Vice-Chair);  
Councillor Muhammad Ali

**Apologies:** Councillor Amanda De Ryk

### **PART A**

#### **1/20 Appointment of Chair and Vice-Chair**

The Committee Clerk requested nominations for the positions of Chair and Vice-Chair for the municipal year 2020/21.

Councillor Sophie McGeevor nominated and Councillor Muhammad Ali seconded the nomination to appoint Councillor Stuart King as Chair for the remainder of the 2020/21 municipal year.

Councillor Stuart King nominated and Councillor Muhammad Ali seconded the nomination to appoint Councillor Sophie McGeevor as Vice-Chair for the remainder of the 2020/21 municipal year.

#### **2/20 Minutes of the previous meeting**

**RESOLVED** that the minutes of the meeting held on 4 November 2019 were agreed as an accurate record.

#### **3/20 Disclosure of Interest**

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

#### **4/20 Urgent Business (if any)**

There was no items of urgent business.

#### **5/20 Joint Street Lighting PFI Update**

John Algar, PFI Manager LB Croydon (LBC), introduced the report which advised the Committee of the overall performance of the service provider during the period September 2019 - August 2020.

He stated there was an action from the previous meeting to circulate a paper detailing the differences of LED versus the current lighting. There had been

work between both authorities speaking to Skanska and they were currently in the stage of finalising technical and financial details. Both authorities did not deem the payback periods appropriate, nine years for LBC and 14 years for LB Lewisham (LBL), and further discussions would be going ahead. Once received, an update would be forwarded to the Committee.

In response to Councillor McGeevor asking if this was detailed in the business case in the appendices to the report, John Algar, PFI Contract Manager (LBC), confirmed it was, however stated there was now an update to that with a better understanding and greater technical and financial detail. The updated business case, which included the financial updates, would be shared with the Committee.

Councillor McGeevor stated that LEDs increasingly made sense, in the climate of decreasing carbon emissions over the years and including the decarbonisation of the National Grid, and asked how that was taken into account in this assessment. John Algar, PFI Contract Manager (LBC), responded that the decarbonisation agenda was an initiative of the power generation companies and not the council. He added that choosing to deliver additional dimming regimes would provide some carbon reduction benefit. At the moment, both Councils had the capability of dimming without moving to LED. If adopted then further financial savings would be made in conjunction with reduced carbon emissions. The team continued to discuss dimming options with Skanska.

Mark Averill, Authorised Person and Head of Highways (LBC), said that they already had an energy efficient lighting specification, Cosmopolitan lamps and Central Management System, so gaining savings for swapping efficient lanterns for slightly more efficient was not comparable to the substantial upgrade you would have seen when the contract was initially let. Councillor McGeevor agreed that this was a sensible approach and neither authority wanted to make costly changes for insignificant benefits of carbon emission reduction.

Councillor Ali said that Base had announced a £1 million funding offer for energy reduction and that Salix Finance provided an interest free loan related to street lighting. He asked if this could potentially reduce the funding gap and payback period and suggested this could be explored in a new business case. John Algar, PFI Contract Manager (LBC), confirmed they were aware of Salix funding opportunities.

John Algar, PFI Contract Manager (LBC), summarised the main points of the Operational Performance Standards Overview:

### **PS1 - Core Investment Programme (CIP)**

The CIP was completed on 31 October 2016.

## **PS2 - Planned Maintenance, Inspection and Testing**

The report detailed areas in both boroughs, covered by Skanska, and performance was on track. The tables showed the overall performance over the last 12 months for lights “in light”. The provider had achieved the required level of 99% every month, which was a good performance. As a client, the council still carried out their own checks alongside.

## **PS3 - Operational Responsiveness and Reactive Maintenance**

This performance standard detailed non-routine emergency call-outs. Last year all emergency call-outs were attended in the one-hour timeframe. A few emergency faults were missed, which was picked up by the client team reporting and they were financially adjusted accordingly. In terms of lights “in light”, they were performing very well.

## **PS4 - Contract Management and Customer Interface**

The report showed an overall good performance and this year had been better than previous years. In February 2020, they performed below the 95%, which was financially adjusted. The council worked closely with Skanska and the contact centre in regards to call-outs and complaints.

Councillor McGeevor referred to paragraph 3.11 and asked the reason for the delay in response time. John Algar, PFI Contract Manager (LBC), responded that any calls that came in to Skanska must be answered within 25 seconds, the council was provided with a log report from Skanska for unanswered calls. If they did not hit the 95% in a month, the financial adjustments would be applied in line with the payment mechanism within the Contract. The Client Monitoring team carried out random test calls to the provider to monitor the quality of the service, which had improved in the past few years.

## **PS5 - Strategic Assistance and Reporting**

The Strategic Assistance Reporting was on track.

## **PS6 - Working Practices**

The working practice performance was good. There were many financial adjustments on this performance standard during the Core Investment Programme, however there had been a vast improvement since completion. Financial adjustments were applied where Routine service failures rose above 25 points, which in February 2020 there were 30 due to permitting issues at the time.

## **PS7 - Reporting to the Authority**

The reports were received on time.

## **PS9 - Central Management System (CMS)**

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The CMS provided a great way of reducing light levels to the desired level and was deemed to be a good system. All faults street lights were picked up by CMS, saving workers having to carry out physical checks. Reports were generated on a daily basis and these were monitored by council staff.

### **Environmental Considerations**

Councillor McGeevor asked why the environmental section only considered Croydon and if they would be able to produce figures from Lewisham in future reports. Katherine Nidd, Strategic Procurement and Commercial Services Manager (LBL), confirmed the data was available, now of interest and relevant. She explained this was not included previously due to work being highly focussed on other areas during the Core Investment Programme and agreed it should be included in future.

The Chair stated that these reports reflected the pattern of reporting in previous years and environmental consideration had now become more important to public bodies and politicians in the recent years, which should now be reflected in the reporting.

The Committee **RESOLVED** to:

- **NOTE** the performance of Service Provider in respect of the street lighting PFI for September 2019 - August 2020
- **APPROVE** the proposed unitary charges for 2020/21 of £2.817m for Croydon and £1.584m for Lewisham (based on a 64% to 36% split)

6/20

### **Exclusion of the Press & Public**

This item was not required.

The meeting ended at 7.00 pm

**Signed:**

**Date:** .....

<b>REPORT TO:</b>	<b>Croydon &amp; Lewisham Joint Street Lighting Committee</b> <b>14 October 2021</b>
<b>SUBJECT:</b>	<b>The Joint Street Lighting PFI Update</b>
<b>LEAD OFFICER:</b>	<b>Croydon: Executive Director of Place</b> <b>Lewisham: Executive Director for Housing, Regeneration and Public Realm.</b>
<b>CABINET MEMBER:</b>	<b>Croydon: Councillors Muhammed Ali and Patsy Cummings</b> <b>Lewisham: Councillors Amanda De Ryk and Patrick Codd</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:</b>	
Improving street lighting supports Croydon Council's corporate priorities of improving the environment and reducing crime and Lewisham Council's corporate priorities of making Lewisham greener and building safer communities.	
<b>FINANCIAL IMPACT:</b>	
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.	
<b>KEY DECISION REFERENCE NO.: N/A</b>	
<b>1. RECOMMENDATIONS</b>	
The Committee is asked to:	
<ul style="list-style-type: none"> <li>• Note the performance of Service Provider in respect of the street lighting PFI for September 2020 - August 2021</li> <li>• Approve the proposed unitary charges for 2021/2 of £2.679m for Croydon and £1.517m for Lewisham (based on a 64% to 36% split)</li> <li>• Approve the forecasted contract management and monitoring costs for 2021/22 of £156,007.04 for Croydon and £87,753.96 for Lewisham ( based on 64% to 36% split).</li> <li>• Note that the Service Provider has changed from Skanska to Milestone Limited Services. No effect on performance and service delivery as all staff TUPE over.</li> </ul>	

**Actions from last meeting: 15 October 2020**

- JA provided updated L.E.D lantern conversion business case to all cabinet members which included the financial updates, shared with the Committee.

Croydon currently not looking to take LED solution forward as savings can be made by variant lighting levels within the Central Management System.

Lewisham exploring option for LED replacements.

Future workshop being arranged with Milestone to seek reduction in installation costs to become a viable solution for each Authority.



## **2. EXECUTIVE SUMMARY**

- 2.1 This report advises the Committee of the overall performance of the Service Provider during September 2020 – August 2021.

## **3. DETAIL**

### **Operational Performance Standards Overview**

- 3.1 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 the Output Specification specify the required outcome, service delivery, performance requirements and measurement criteria in respect of each part of the Service. 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.
- 3.2 The Service Provider shall perform the service in accordance with the following Performance Standards:

#### **PS1 – Core Investment Programme.**

- 3.3 The Service Provider designed and installed new apparatus during the five-year Core Investment Programme (CIP) across both councils to the current British Standards and contract specification. The Core Investment Programme was completed 31 October 2016. The Croydon Public Lighting Network Cable has been de-energised and abandoned by UKPN. The old stumps that were previously keeping the Public Lighting Network Cable functioning have been completely removed.

#### **PS2 - Planned Maintenance, Inspection and Testing.**

- 3.4 This Performance Standard covers planned maintenance, inspection and testing of street lighting equipment. Routine scouting of all streetlights (including CMS) is undertaken and the performance is measured over a four-month period.

During the period September 2020 – August 2021 the following wards were completed as part of the Annual Programme:

#### **Bulk Clean and Change & Electrical Testing (Columns Y1)**

Lewisham: Blackheath, Grove Park, Crofton Park

Croydon: Broad Green, Norbury, South Norwood, Thornton Heath, Upper Norwood, Waddon, West Thornton

**Total Assets: 9,107 across both boroughs.**

## **Electrical Testing Signs (Signs Y2)**

Lewisham: Blackheath, Grove Park, Crofton Park

Croydon: Broad Green, Norbury, South Norwood, Thornton Heath, Upper Norwood, Waddon, West Thornton

**Total Assets: 1582 across both boroughs.**

## **Signs Clean only (Y2)**

All wards across both boroughs

**Total Assets: 5,600**

## **Visual Inspections (Y1)**

Lewisham: Perry Vale, Bellingham, Telegraph Hill, New Cross, Downham, Whitefoot,

Croydon: Ashburton, Fieldway, Shirley, Heathfield, Selsdon & Ballards, Coulsdon East, Coulsdon West, Kenley, Sanderstead

**Total Assets: 15,444 across both boroughs.**

Service Provider continues to deliver a high standard of performance within this performance standard.

Service Provider still scouting for illuminated signs out of light, doors off, damaged sign plates, twisted sign lights or any other maintenance issues to any other attachments. Service Provider continues to night scout at their own discretion. All Car Parks and Subways where fittings do not have the capacity for nodes to be connected to the CMS are being scouted in the day time as these are operational 24 hours.

The Client Monitoring team continue to carry out night and day site checks to verify that all Car Park, Subway and Housing assets have been replaced for new and functioning correctly.

Management Information system used to verify all findings.

All column outages are reported via City Touch on the Central Management System.

- 3.5 The table below illustrates the overall performance over the last 12 months for lights in light. The Service Provider continues to perform at a high standard and has achieved the required level of 99% lights throughout this period, therefore no financial adjustment has occurred.

	August 2021	July 2021	June 2021	May 2021
(Y) # occasions not In Light	167	139	144	102
(T) # Lighting Points	46,850	46,850	46,850	46,850
<sup>A</sup> / <sub>B</sub> In Light **	99.644%	99.703%	99.693%	99.782%
In Light:	99.705%			
	April 2020	March 2020	February 2020	January 2020
# occasions not In Light	138	181	228	313
# Lighting Points	46,850	93,700	93,700	93,700
In Light **	99.705%	99.807%	99.757%	99.666%
In Light:	99.734%			
	December 2020	November 2020	October 2020	September 2020
# occasions not In Light	140	162	190	165
# Lighting Points	93,700	93,700	93,700	46,850
In Light **	99.851%	99.827%	99.797%	99.648%
In Light:	99.781%			

3.6 The Client Monitoring Team continue to carry out its own shadow night scouts to verify the quality of the Service Providers night scouts and to review all vehicle tracker reports. The accuracy of the Central Management System is also validated.

**PS3 - Operational Responsiveness and Reactive Maintenance.**

3.7 This Performance Standard covers the operational responsiveness of the Service Provider to attend to faults within the relevant rectification period.

3.8 The tables below illustrate the performance for emergency and non – emergency faults in and out of time for the period of September 2020 – August 2021. Over this annual period only 2 Emergency Call Out was attended late outside the 1-hour time frame in October 2020, which financial adjustments were applied.

For Non-Emergency works there were 4 jobs repaired outside the 4-day rectification period in November 2020, January, June 2021 of which financial adjustments were again applied.

Table 1 - Faults completed within contractual timescale:

Fault Type	Number of occasions: In Time						
	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021
Emergency faults	15	18	23	15	24	17	17
Non-Emergency Faults	315	393	355	338	349	296	314

Fault Type	Number of occasions: In Time						
	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021		
Emergency faults	14	20	12	9	15		
Non-Emergency Faults	250	249	295	249	304		

Table 2 - Faults completed outside contractual timescale

Fault Type	Number of occasions: Out of Time						
	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021
Emergency faults	0	1	0	0	0	0	0
Non-Emergency Faults	0	0	1	0	1	0	0

Fault Type	Number of occasions: Out of Time						
	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021		
Emergency faults	0	0	0	0	1		
Non-Emergency Faults	0	0	2	0	0		

3.9 During this reporting period as detailed in table 2 above not all non-emergency faults were attended in time and therefore a financial adjustment has been applied in line with the payment mechanism of the contract.

**PS4 - Contract Management and Customer Interface.**

3.10 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).

3.11 The table below shows telephone calls received by the call centre and emergency phone line during the period September 2020 to August 2021. The target is 95% of all calls being answered within 25 seconds of which this target has been achieved apart from March / July 2021 where financial adjustments were applied.

Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	<b>Prescribed response period</b>
320	374	393	221	129	132	125	= # calls received by call centre/ emergency phone line
319	370	389	218	126	128	117	= # answered by a trained call agent within 25 seconds
99.69%	98.93%	98.98%	98.64%	97.67%	96.97%	93,60%	= % answered by a trained call agent within 25 seconds

Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021			<b>Prescribed response period</b>
100	106	129	97	102			= # calls received by call centre / emergency phone line
99	101	124	91	97			= # answered by a trained call agent within 25 seconds
99%	95.28%	96.12%	93.81%	95.10%			= % answered by a trained call agent within 25 seconds

## **PS5 - Strategic Assistance and Reporting.**

3.12 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.

For this period all reports were received on time.

## **PS6 - Working Practices.**

3.13 Performance Standard 6 requires the Service Provider to ensure it operates the day-to-day working practices correctly and safely.

During September 2020 – August 2021 there was one serious service failures in June 2021 where an operative was standing in bucket of MEWP vehicle whilst travelling along the road. Financial adjustments were applied, and staff involved in incident were removed from the contract.

Routine service failures were identified during this period, however no financial adjustments were applied as did not exceed the 25-point non-performance target which follows the guidelines in the Appendix 21 table and PS6 performance target.

Overall, the Service Provider continue to perform very well with regards to staff Health & Safety issues for its own staff and ensuring site conditions are monitored and kept in a safe condition.

Frequent joint permitting meetings are carried out by the Service Provider, Monitoring team, UKPN and both boroughs permitting teams to resolve any potential issues and collaborate works to minimize and disruption.

Below is the table of any service failures under PS6 Working Practices

Categories of the faults relating to these practices are detailed below:

Fault Type	Definition	September 2020	October 2020	November 2020	December 2020	January 2021	February 2021	March 2021
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 (c) poses a material risk of significant financial loss and/or disruption to the Authority.	0	0	0	0	0	0	0
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	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.	0	10	10	0	0	10	10





Fault Type	Definition	April 2021	May 2021	June 2021	July 2021	August 2021
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 (c) poses a material risk of significant financial loss and/or disruption to the Authority.	0	0	0	0	0
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	1	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.	0	0	10	0	0

### **PS7 - Reporting to the Authority.**

- 3.14 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 the committee are asked to note all reports were submitted on time.

### **PS9 - Central Management System.**

- 3.15 When this contract was awarded both councils opted for a Central Management System (CMS) to be installed to all streetlights 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. This is something both boroughs have explored under a Variable Lighting Policy.
- 3.16 Once the Independent Certifier issued the Certificate of Compliance for the new street lighting on a street-by-street basis the Service Provider ensured that all Replacement CIP Apparatus is connected to and operating on the Central Management System.

The client team are continuing to monitor the current operation of the CMS which has resulted in a reduction of failures within the system. Client team officers review the information provided by City Touch so that checks can be carried out to ensure any outages are raised within the M.I.S within the 4-day rectification period.

- 3.17 After the completion of the Core Investment Programme across both boroughs as of August 2021 there are 40,997 street lighting columns connected to the Central Management System (see below). The remaining assets are in Subways and Car Parks that are not connected to the CMS and are scouted separately.

	<b>Croydon</b>	<b>Lewisham</b>	<b>Months Total</b>
Previous Total	24,768	16,239	41,007
Aug-21	-9	-1	-10
<b>Current Total</b>	<b>24,759</b>	<b>16,238</b>	<b>40,997</b>

Total Number of Certified assets connected to CMS	40,997
Days in Month	31
Unit/days Comms	1,270,907
Number of Unreachable units in month	188
CMS Communicating	99.99%

- 3.18 Lewisham introduced their Variant Lighting Level Policy in November 2016 which received Mayor and Cabinet approval. To date the Service Provider and the Client Monitoring Team have still not received any specific complaints in relation to the introduction of this policy in Lewisham.

Following the introduction of Lewishams Variant Lighting Level Policy in 2016 annual energy consumption has fallen by over 2,000,000 kWh with the majority of that attributable to the use of the CMS to vary lighting times and intensity. This represents a considerable financial and carbon saving.

- 3.19 Croydon are still reviewing their Variant Lighting Level Policy. Carbon and financial savings have been identified upon different dimming options. Policy will be introduced upon Cabinet approval.

#### **4. CONSULTATION**

- 4.1 During the mobilisation phase and throughout the CIP, the Service Provider was required to liaise and consult with all relevant bodies, which included the Councils, its officers, and all other stakeholders.
- 4.2 There is a mechanism built within the Output Specification to ensure that this consultation process takes place.
- 4.3 As the CIP programme has finished both Authorities have agreed not to consult with residents about any customer satisfaction surveys as they feel the information will not be beneficial.

#### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 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. 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.
- 5.2 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 anticipated cost for 2021/22 is expected to be £10.729m. The proposed unitary charge in 2021/22 for Croydon and Lewisham works out at £2.679m and £1.517m respectively (based on agreed 64% to 36% split), with the remaining contribution derived from PFI credits provided by the Department for Transport. Energy costs are paid directly to the respective energy suppliers by the individual authorities and are not part of the sinking fund payment process.

- 5.3 The forecasted contract management and monitoring costs for 2021/22 based on 64% to 36% split are Croydon £156,007.04, Lewisham £87,753.96.
- 5.4 The financial model sinking fund is periodically reviewed to ensure that adequate resources are set aside for future liabilities. The contributions for 2021/22 have been adjusted accordingly. These are offset in part by contract performance deductions.

Approved by: Michael Jarrett, Head of Finance (Croydon), Shola Ojo, Group Finance Manager (Lewisham)

## **6. LEGAL CONSIDERATIONS**

- 6.1 To align the constituent authorities, the legal teams created two agreements, the Governance Agreement and the Co-operation Agreement.
- 6.2 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.
- 6.3 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.
- 6.4 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.

Approved by: Nigel Channer, Interim Head of Commercial and Property Law, on behalf of Doutimi Aseh, Interim Director of Law & Governance and Deputy Monitoring Officer (Croydon)

Approved by: Stephanie Fleck, Principal Solicitor Commercial, Education and Employment for the Head of Law. (Lewisham)

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no Human Resources considerations arising from this report.

Approved by Jennifer Sankar, Head of Human Resources (Croydon)

## 8. EQUALITIES IMPACT

- 8.1 An updated 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.

Lewisham have introduced their Variable Lighting Policy across the borough which included an updated EIA.

A further updated EIA will be carried out by Croydon if decided to go ahead with any Variant Lighting Policy.

Both Authorities have their own separated policies which do not need to be linked.

## 9. ENVIRONMENTAL IMPACT

- 9.1 Carbon emissions from Croydon & Lewisham's Street lighting are shown in the tables below. While annual consumption has varied up and down around 10GWh for Croydon and 4GWh for Lewisham the total annual CO<sub>2</sub> emissions have decreased by 57% over 7 years. This is due to the rapid decarbonisation of the UK electricity grid that has been achieved by significant growth of renewable energy generation (primarily offshore wind and large-scale solar farms).

### Croydon

Year	Consumption kWh	CO <sub>2</sub> tonne	Grid carbon emission factor (kg CO <sub>2</sub> kWh)
2020/21	8,989,281	2,256	0.25091
2019/20	10,450,119	2,875	0.27511
2018/19	11,320,710	3,451	0.30482
2017/18	10,014,298	3,820	0.38146
2016/17	9,860,865	4,404	0.44662

### Lewisham

Year	Consumption kWh	CO <sub>2</sub> tonne	Grid carbon emission factor (kg CO <sub>2</sub> kWh)
2020/21	4,126,786	1,035	0.25091
2019/20	4,381,438	1,205	0.27511
2018/19	4,432,250	1,351	0.30482
2017/18	4,900,020	1,869	0.38146
2016/17	6,357,241	2,839	0.44662

- 9.2 The CMS functionality can help manage the total annual consumption through implementation of a Variant Lighting Level Policy. Reductions achieved through this will both minimise electricity costs and the associated CO<sub>2</sub> emissions.
- 9.3 Croydon Council has declared a 'Climate Emergency' and has set a target to be carbon neutral by 2030. Croydon does not purchase renewable electricity as certified by 'Renewable Energy Guarantee of Origin' (REGO) certificates. This is because such supplies do not deliver any additional CO<sub>2</sub> savings than a standard electricity contract. The decarbonisation of the grid (as highlighted in the above table) has been achieved by the regulated market subsidy mechanisms. The cost of this is passed on to all electricity users via the fixed charges. Current government policies are to deliver a zero-carbon grid by 2050. Croydon will therefore need to secure additional zero carbon electricity through its contracts to achieve the 2030 target.
- 9.4 Croydon is currently working with other London boroughs to identify the best value options to secure 100% renewable electricity. This is through the 'Renewable Power for London' programme established by London Councils.
- 9.5 Lewisham's corporate energy contracts are backed by REGOs.

Approved by Bob Fiddik, Team Leader – Sustainable Development & Energy (Croydon)

Approved by Martin O'Brien – Climate Resilience Manager (Lewisham)

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 The general improvement of the street lighting has as expected had a positive impact in the lower levels of crime and disorder.

## **11. CUSTOMER IMPACT**

- 11.1 The core objective of the street lighting replacement programme, the replacement of the existing aged equipment with a new and well-maintained service, had a positive impact on the residents.
- 11.2 Croydon continue to review their Variant Lighting Level Policy to ensure there is no impact on residents and stakeholders.

## **12. DATA PROTECTION IMPLICATIONS**

- 12.1 Will the subject of the report involve the processing of "personal data"?  
NO.

Has a Data Protection impact assessment (DPIA) been completed?  
Not Required.

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**Appendices to add to this report:** None

**Background Papers:** None

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