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Croydon & Lewisham Street Lighting Joint Committee

To:

Representing the London Borough of Croydon

Councillor Stuart Collins, Deputy Leader - Cabinet Member of Clean Green Croydon
Councillor Stuart King, Cabinet Member of Transport & Environment

Representing the London Borough of Lewisham

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

A meeting of the **Croydon & Lewisham Street Lighting Joint Committee** will be held on **Thursday, 12 October 2017** at **6.30 pm** in **F10, Town Hall, Katherine Street, Croydon CR0 1NX**

JACQUELINE HARRIS-BAKER
Director of Law and Monitoring Officer
London Borough of Croydon
Bernard Weatherill House
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Wednesday, 4 October 2017

AGENDA

1. Appointment of Chair and Vice-Chair

2. Apologies for absence

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

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

To approve the minutes of the meeting held on Thursday 16 March 2017 as an accurate record.

4. 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.

5. 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

6. Joint Street Lighting PFI Update (Pages 7 - 16)

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

7. 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".

8. Part B Minutes of the previous meeting (Pages 17 - 18)

To approve the minutes of the meeting held on Thursday 16 March 2017 as an accurate record.

LONDON BOROUGH OF CROYDON AND LEWISHAM

Street Lighting Joint Committee

Meeting held on Thursday 16 March 2017 at 6:30pm in Room F9 The Town Hall,
Katharine Street, Croydon CR0 1NX

DRAFT MINUTES - PART A

Present: **Representing the London Borough of Croydon**
Councillor Stuart Collins, Deputy Leader - Cabinet Member for Clean
Green Croydon (Acting Chair)
Councillor Pat Ryan (Deputy Cabinet Member for Transport and
Environment)

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

Also present: Steve Iles (Croydon Director of Streets), John Algar (Croydon PFI
Contract Manager) and Katherine Nidd (Lewisham Commercial
Manager - Regeneration & Asset Management)

Absent: Councillors Kevin Bonavia and Stuart King

Apologies: Councillors Kevin Bonavia and Stuart King

A1 Minutes of the meeting held on Thursday 20th October 2016

The Committee **RESOLVED** to approve the Part A minutes of the
last meeting held on Thursday 20 October 2016 as a correct record
of that meeting.

A2 Disclosure of Interest

There were no disclosures of pecuniary interest not already
registered.

A3 Urgent Business (if any)

There was none.

A4 Exempt Items

The allocation of the meeting between Part A and Part B was
agreed.

A5

Joint Street Lighting PFI Update

John Algar (PFI Contract Manager) summarised the main points of the report:

PS1

- Work was 3 months behind in July but finished by October
- Legacy stumps are the biggest issue – it is being monitored but there are a few still remaining

PS2

- Night scouting is carried out monthly

PS3

- Emergency call outs were all done in time
- There were a few discrepancies for Non Routine faults, Target B, but they are getting fewer

PS4

- Cust Sat survey
- Call centre working better – brought in-house

PS6

- Only 1 urgent failure

PS9

- CMS system working well
- Online reporting tool – need to push people to use it

The Committee **RESOLVED** to **NOTE**:

- The performance of Service Provider in respect of the street lighting PFI for August 2016 – January 2017
- The completion of the Core Investment Programme (CIP) for both Croydon and Lewisham.

A6

Camera Resolution

Councillor Alan Smith proposed and Councillor Pat Ryan seconded moving into Part B and the Committee agreed unanimously.

PART B – SUMMARY of proceedings of exempt part

(where in consequence of exclusion of parts of the minutes which display exempt information the proper officer shall provide a summary which provides a record without disclosing the exempt

information section 100C(2) LGA 1972)

Joint Street Lighting PFI Update - Part B

The Appendix to the PFI Update report explained the breakdown of performance standards, which sets out the financial penalties levied over 5 years. Penalty payments stay in the sinking fund to pay for the PFI. The fund is currently preventing the local authorities having to provide additional funds. Going forward no significant adjustments are expected.

Frequency of meetings

A discussion about the frequency of meetings followed. Councillor Pat Ryan proposed and Councillor Alan Smith seconded a proposal to meet once a year (month to be decided) and this was agreed unanimously.

Currently the mandatory annual meeting has been set in March but the date may need to align with the co-operation agreement. Officers agreed to check the financial audit issues around moving the date. The next meeting timing will then be decided.

MINUTES - PART B

B7 Joint Street Lighting PFI Update - Part B

(Exempt under Paragraph 3)

The meeting ended at 6:55pm

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Agenda Item 6

Report To:	Croydon & Lewisham Joint Street Lighting Committee 12 October 2017
Report Author :	John Algar : PFI Contract Manager
Agenda Item :	6
Subject :	The Joint Street Lighting PFI Update
Lead Officers:	Croydon: Executive Director of Place Lewisham: Executive Director for Resources and Regeneration
Cabinet Members:	Croydon : Councillors Stuart King 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	
Recommendations:	
The Committee is asked to: <ul style="list-style-type: none">• Note the performance of Service Provider in respect of the street lighting PFI for February 2017 – August 2017• Note the completion of the Core Investment Programme (CIP) for both Croydon and Lewisham.• Approve the proposed unitary charges for 2018/19 of £2.5m for Croydon and £1.4m for Lewisham (based on a 64% to 36% split).	

1. Executive Summary

This report advises the Committee of the completion of the Core Investment Programme (CIP) and the overall performance of the Service Provider during February 2017 – August 2017.

2. Detail

Operational Performance Standards Overview

2.1 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. Details of the level of adjustments applied to this contract to date are shown in the Part B agenda of this committee.

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

PS1 – Core Investment Programme

2.3 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 following table illustrates the Milestone planned completion dates against the actual completion dates. The Core Investment Programme was completed 31 October 2016.

MILESTONE NO:	QUANTITY	COMPLETION DATE	COMPLETED DATE	COMMENTS
M1	207	31-Jan-12	COMPLETED 30/11/12	2 MONTHS EARLY
M2	3,107	31-Jul-12	COMPLETED 31/10/12	3 MONTHS LATE
M3	7,143	31-Jan-13	COMPLETED 30/06/13	5 MONTHS LATE
M4	12,009	31-Jul-13	COMPLETED 30/04/14	9 MONTHS LATE
M5	16,885	31-Jan-14	COMPLETED 30/09/14	8 MONTHS LATE
M6	22,915	31-Jul-14	COMPLETED 31/03/15	8 MONTHS LATE
M7	28,940	31-Jan-15	COMPLETED 31/08/15	7 MONTHS LATE
M8	34,316	31-Jul-15	COMPLETED 31/12/15	5 MONTHS LATE
M9	39,683	31-Jan-16	COMPLETED 31/05/16	4 MONTHS LATE
M10	46,665	31-Jul-16	COMPLETED 31/10/16	3 MONTHS LATE

PS2 - Planned Maintenance, Inspection and Testing;

2.4 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.

Due to the completion of the Core Investment Programme the night scouts are now only required to pick up any illuminated signs out of light and/or with maintenance issues i.e. doors off, twisted sign lights or lantern realignments etc. However the Service Provider are still night scouting 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. All column outages are reported via City Touch on the Central Management System.

2.5 The table below illustrates the overall performance over the last 7 months. The Service Provider has achieved the required level of 99% lights throughout this period, and therefore no financial adjustment has occurred.

	August 2017	July 2017	June 2017	May 2017
(Y) # occasions not In Light	149	126	108	103
(T) # Lighting Points	46,850	46,850	46,850	46,850
^{A/B} In Light **	99.682%	99.731%	99.769%	99.780%
In Light:	99.741%			

	April 2017	March 2017	February 2017	January 2017
(Y) # occasions not In Light	50	108	103	149
(T) # Lighting Points	46,638	93,276	93,276	95,026
^{A/B} In Light **	99.893%	99.884%	99.890%	99.843%
In Light:	99.877%			

2.6 The Client Monitoring Team continue to carry out its own shadow night scouts to verify the quality of the Service Providers night scouts and the accuracy of the Central Management System.

PS3 - Operational Responsiveness and Reactive Maintenance;

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

2.8 The tables below illustrate the performance for emergency and non – emergency faults in and out of time for the period of February 2017 – August 2017. Over this period all Emergency Call Outs have been attended within the 1 hour time frame.

Table 1

Fault Type	Number of occasions : In Time						
	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017
Emergency faults	28	40	20	16	21	21	22
Non-Emergency Faults	359	414	344	309	317	315	331

Table 2

Fault Type	Number of occasions : Out of Time						
	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017
Emergency faults	0	0	0	0	0	0	0
Non-Emergency Faults	8	1	1	0	1	3	2

2.9 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.

PS4 - Contract Management and Customer Interface;

2.10 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).

2.11 The table below shows telephone calls received by the call centre and emergency phone line during the period February 2017 to August 2017. The target is 95% of all calls being answered within 25 seconds. Over this period the Service Provider has continued to perform well above the performance target.

Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Prescribed response period
381	368	237	236	237	92	158	= # calls received by call centre / emergency phone line
376	366	236	235	236	91	154	= # answered by a trained call agent within 25 seconds
97.55%	99.46%	99.58%	99.58%	99.58%	98.91%	97.47%	= % answered by a trained call agent within 25 seconds

PS5 - Strategic Assistance and Reporting;

2.12 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;

2.13 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:

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.

Fault Type		February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017
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	35	0	15	15	10	0

During this seven month period there have been no urgent service failures and no serious service failure. This is largely due to the completion of the Core Investment Programme activity. The only month where adjustments were made was March 2017 where the service provider exceeded the 25 points which invokes a financial adjustment, despite this the Service Provider is performing well.

PS7 - Reporting to the Authority;

2.14 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;

2.15 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. This is something both boroughs have explored under a Variable Lighting Policy.

2.16. 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 as there have been a small number of issues with regards to the two way communication of individual nodes.

2.17. After the completion of the Core Investment Programme across both boroughs there are currently 40,224 street lighting columns connected to the Central Management System. There are 5 columns with Photo Cells as issues with the individual nodes on these columns. The remaining assets are in Subways and Car Parks that are not connected to the CMS and are scouted separately.

2.18. Lewisham have introduced a Variant Lighting Level Policy from November 2016 which received Mayor and Cabinet approval. The Service Provider and the Client Monitoring Team have received no specific complaints in relation to the introduction of this policy in Lewisham

3. Human Rights

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

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 includes 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 Notifications to residents were distributed in advance of works commencing on site. The requirements was to deliver a leaflet to each property 8 weeks prior to works commencement and a further letter 4 weeks prior to works commencing.

4.4 As the CIP programme has finished the councils are working with the Service Provider to develop a revised customer satisfaction survey to ensure ongoing customer engagement.

5. Financial and Risk Assessment Considerations: Croydon and Lewisham

- 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 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.
- 5.3 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 anticipated cost for 2018/19 is expected to be £10.4m. The proposed unitary charge in 2018/19 for Croydon and Lewisham works out at £2.5m and £1.4m 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.
- 5.4 The financial model sinking fund is periodically reviewed to ensure that adequate resources are set aside for future liabilities. The contributions for 17/18 have been adjusted accordingly. These are offset in part by contract performance deductions.

**(Approved by: Luke Chiverton, Head of Finance, Croydon,
John Johnstone, Group Manager Resource Finance, Lewisham)**

6 Comments of the Councils' Solicitors

- 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: Mia Agnew, Senior Contracts Lawyer for Head of Law, Lewisham, Anna Cameron, Regeneration Solicitor, Croydon)

7. Human Resources Impact

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

(Approved by Sue Moorman, Director of Human Resources, Croydon).

8. Customer Impact

8.1 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.

8.2 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.

9. Equalities Impact Assessment (EIA)

9.1 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.

10. Environmental and Design Impact

10.1 Carbon emissions from Croydon's street lighting are shown in the table below. While total energy consumption has reduced in 2016/17, a key factor in the significant decrease in emissions has been the lower CO₂ content of the UK power grid due to increased renewable energy generation.

year	Consumption kWh	CO ₂ tonne	Grid emission factor (kg CO ₂ kWh)
2016/17	9,860,865	4,404	0.44662
2015/16	10,126,987	5,027	0.49636
2014/15	10,185,810	5,430	0.5331
2013/14	9,647,256	5,219	0.541

10.3 Croydon and Lewisham are both mandatory participants in the government CRC Energy Efficiency Scheme (CRCEES). This requires authorities to submit an annual report on CO₂ emissions associated with operational energy use and to purchase 'Allowances' to cover these emissions. The cost of Allowances for 2016/17 CO₂ emissions was £17.20 per tonne. Unmetered electricity suppliers are within the scope of the CRCEES and the cost of CO₂ emissions relating to Croydon's street lighting in 2016/17 was just under £76k.

10.4 Following a review of business energy taxation in 2015, the government has announced that the CRCEES will be abolished in 2019. However, tax revenues from CO₂ emissions will be maintained by increasing the rates of the Climate Change Levy (CCL). The CCL is charged on all non-domestic supplies of electricity and gas.

10.5 The CMS functionality will help reduce street lighting electricity consumption, this will therefore help minimise electricity costs and associated CO₂ emissions along with minimising the costs for CO₂ under the CRCEES.

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

11. Crime and Disorder Reduction Impact

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

12. Freedom of Information/Data Protection Considerations

12.1 There are no data protection issues arising from the Project.

12.2 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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Background Documents: None

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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