



Environment and Transport Select Committee  
6 March 2013

**Street Lighting PFI Contract – Progress Report**

**Purpose of the report:** Scrutiny of Services

To provide an overview of the progress on the Council's Street Lighting PFI Contract.

**Introduction:**

On 2 March 2010, Surrey Lighting Services (a consortium of Skanska Infrastructure Services and John Laing Investments) took over responsibility for Surrey County Council's street lighting under a 25 year PFI contract.

Prior to the commencement of this contract, budget pressures resulted in some repairs not being undertaken particularly those requiring significant capital investment. There was also a common sight around the county of new columns installed alongside the old cut down or damaged column with the new one not being connected for many months if at all. When intervention was required from the appropriate Electricity Network Provider, communication was poor and disjointed and response times were often in excess of 6 weeks.

These resulted in a poor perception for Members, residents and road users across the County.

The report provides an overview on the progress of the contract after the first 3 years of operation both in terms of the day-to-day maintenance/fault identification and repair and the 5-year column replacement programme.

**Key Successes:**

Street Light Replacement 7 months ahead of Programme

1. The replacement of 70,000 columns and lanterns and, the replacement of lanterns on a further 19,000 units was expected to take 5 years. Despite a slower than expected 1<sup>st</sup> year, the replacement programme is currently 7 months ahead of programme with over 60,000 columns either replaced or refurbished.

2. Anecdotal evidence from other Local Authorities undertaking a replacement programme indicates that being ahead of programme is not the norm which adds to this achievement.
3. The original replacement programme expected to complete the vast majority of work in each District or Borough before moving on to the next. There were however several factors which prevented some roads from being completed in that order:
  - a) **Private Roads** – there are approximately 4000 lights maintained by the County on privately owned roads. A great deal of communication with the residents of these roads and due diligence has had to be undertaken to be able to ensure Skanska are not considered to be trespassing when carrying out work. This is now largely resolved and these Private Roads have been put back into the programme
  - b) **Conservation Areas** – although this was provided for in the Contract, there was a significant engagement project with the Conservation Officers from each District and Borough to ensure that proposed treatment of each road did not contravene any restrictions on development etc. Again this has now been mostly resolved and work has begun on replacements in Conservation Areas. The most complicated part of this element is Special Design equipment for 2 reasons:
    - i. The equipment is often bespoke and has to be specially ordered with a 13 week lead time which has the potential to increase when large orders are placed
    - ii. They are often located in Town Centres and so there are potential restrictions on when the work can be carried out.
  - c) **Design Roads** – the majority of lights are replaced in the same location as the existing light however approximately 25% of the roads require a design review. This often requires repositioning of columns which as well as being a more complicated piece of work generates an increased set of enquiries and complaints as columns are installed outside houses and shops they weren't previously.
4. Having resolved these, Skanska have a revised programme for replacements. Tandridge is now 97% complete and Waverley 95% and the table below shows the current estimates for completion within each District or Borough across the County:

District/Borough	Estimated Completion
Tandridge	Mar-13
Waverley	Jun-13
Reigate & Banstead	Jun-13
Spelthorne	Jun-13
Elmbridge	Sep-13
Surrey Heath	Sep-13
Epsom & Ewell	Dec-13
Mole Valley	Mar-14
Runnymede	Mar-14

Guildford	Mar-14
Woking	Mar-14

### Conservation Areas and Heritage Lighting – Member and Public Funding

5. The original equipment specification provided 6 Heritage Design columns which would be installed within Conservation Areas where similar lights were already installed replacing on a like for like basis. There were however a number of Cast Iron and Swan-necked columns in Conservation Areas which did not meet these criteria.
6. To address this, an additional design was arrived at through a working group consisting of some Borough Council Conservation officers, SCC Officers, Skanska and their equipment partners.
7. The contract allows for residents, Members and other interested parties to contribute either to the installation of additional lights or to provide the funding for enhanced designs to be installed. A number of groups including Elmbridge Borough Council, residents and Town/Parish groups have taken the opportunity to request and fund one of seven designs. Whilst the volume of people taking this option up is welcomed, it was much greater than anticipated.
8. This has created an unexpected workload in preparing and agreeing the quote, raising invoices and processing payments and ordering stock. As a result, there were at times significant delays in individual cases. Communication with these groups has improved and work is now being implemented and being completed.

### Day to Day Operation and Maintenance of the Lights

9. The performance standards require a minimum of 98% of all lights to be working in the month – the average for the past 12 months (Jan –Dec 12) is 98.84% in light and has not fallen below 98%.
10. On average each month, Skanska respond to:
  - a. Approximately 100 emergencies per month requiring a 2 hour response
  - b. Approximately 1500 faults requiring a 6 day response<sup>1</sup>

Over 99% of these are completed within the prescribed time and the average time to complete a 6 day repair is 4 days
11. Faults are identified through the Central Monitoring System where fitted, night-time<sup>2</sup> and day-time scouting by Skanska and, by reports through the Surrey County Council website.
12. Officers undertake quality checks throughout the month looking at variety of factors such as the time to attend faults, site management and safety whilst working on the Highway, quality of workmanship both in terms of lighting and the reinstatement of footpaths etc where required, Customer Responses etc.

<sup>1</sup> An initial response is required within 6 working days (15 working days for High Speed roads) and the majority of faults are repaired first time or followed up within this time. In certain circumstances a new column will be required which allows a further 10 working days to be completed and finally upon completion of the column installation, a further 30 working days for the Designated Network operator to undertake the electrical connection

<sup>2</sup> Night-time scouting will be phased out once the CMS has been installed on all columns in each ward

13. A report is presented each month and the results of any audits are compared to the results presented to ensure failures are captured where relevant. If performance falls below the target level in any given month, financial deductions are applied in line with the contract specification.

#### Faults on the Electrical Network

14. An area of particular achievement is the management of work that requires the Designated Network Operator (DNO – UK Power Networks and Scottish and Southern Networks) to attend. OFGEM govern the response times which are 30 working days however there is no recompense to “customers” if these targets are not met.
15. All cases are individually followed up each week with each DNO to chase progress until they are closed – they are then checked by a Skanska operative to ensure the fault has been correctly repaired. As a result of this, the average time for repair of a DNO fault is 14 days.

#### Communication with Residents

16. The Street Lighting Section of the website has been reviewed and updated periodically based on the content of enquiries received to provide detailed information on common questions that arise – as well as providing residents and Members direct access to relevant information, it has also reduced the time Highways’ Officers spend responding to the same enquiries.
17. In addition to residents receiving notice of the replacement programme 4 weeks before work starts, a copy of the next 6 week’s programme is available via the website.
18. Faults can be reported and tracked via the Surrey County Council website which links directly to Skanska’s Work Ordering system providing “live” updates when requested.
19. As described above, when tracking previously reported faults, there may be occasion when the timescale for completion goes beyond the original 6 or 15 day timescale because the fault is on the electrical network or requires a new column.

#### Contact for Members

20. As described above, faults can be tracked on the Council’s website using the reference number provided at the time of reporting and subsequently sent by email.
21. If required, Members should make contact with Skanska either via the Contact Centre or by emailing their Customer Liaison Team ([surreylightingservices@skanska.co.uk](mailto:surreylightingservices@skanska.co.uk)). As the service is managed directly by Skanska, they are best placed to provide the quickest and clearest answer to an enquiry and will normally respond within 5 days if not sooner.
22. In the event that a sufficient response is not received and a Member needs to escalate the matter, they can make contact with the Council’s Monitoring Team through [pfistreetlights@surreycc.gov.uk](mailto:pfistreetlights@surreycc.gov.uk). This route can also be used to investigate the possibility of additional lighting if the Member or a group of residents or other group wish to enquire about funding them.

**Summary:**

- 23. The first 3 years of this new contract have seen a significant improvement in the street lighting service delivered to residents with improved equipment, better response times and more effective management of the asset leading to fewer lights out of light and reducing the length of time lights are not working when they fail.
- 24. A combination of Skanska's management of the programme and the collaboration with SCC Officers, Officers from Districts and Boroughs and in many cases residents has led to the replacement programme being more than 6 months ahead.
- 25. Whilst it has taken time and considerable effort to overcome the challenges of the more complex and non-standard lighting schemes, these have now been resolved and a programme of work is expected to deliver full completion of the work by the middle of 2014.
- 26. The Council's Contract Monitoring Team have developed strong relationships and a series of robust processes enabling effective scrutiny of Surrey Lighting Services' performance. This has not only enabled us to audit activity and raise intelligent lines of question but is also creating an environment, which ensures the Contractors are aware they are being monitored.
- 27. The working relationship between Surrey Officers and staff within the contractors is strong with the Contract Monitoring Team based at Merrow alongside Skanska. Both Skanska and Surrey Lighting Services have commented on the positive effect the Contract Monitoring Team's contribution has had on delivering the contract.
- 28. Feedback from residents shows the new contract is being well received either due to the improvement in response times for faults or of the quality of the new lights being installed under the Investment Programme.

**Recommendations:**

The Select Committee is asked to consider the report and comment as required.

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