

ENVIRONMENT AND ATTRACTIVE CITY SCRUTINY COMMITTEE

11 APRIL 2011

PROJECT UPDATE: STREET LIGHTING AND HIGHWAY SIGNS PFI CONTRACT

REPORT OF THE EXECUTIVE DIRECTOR CITY SERVICES

Strategic Priorities: Attractive and Inclusive City, Prosperous City and Safe City

1.0 PURPOSE OF THE REPORT

1.1 The report has been brought to Committee to update on progress on the Street Lighting and Highway Signs PFI, which is included on the Committee's 2011-2012 work programme. This report is to introduce the following annual report prepared by our Street Lighting and Highway Signs PFI partner, Aurora (Sunderland Streetlighting Limited).

2.0 INTRODUCTION

2.1 The Street Lighting and Highway Signs PFI contract commenced in 2003, has a duration of 25 years and is worth approximately £5m per annum. In the first five years of the contract Aurora invested over £30m in providing the city with nearly 31,000 lighting units and 4000 highway signs. Since the completion of this work, Aurora has focused their resources on the operation and maintenance aspects of the service as well as a future replacement programme.

2.2 The contract is one based on performance with payments being made on achieving the contractual standards.

2.3 When required, variations in contract requirements are carried out through the issue of Change Notices.

3.0 CONTRACT PROGRESS, PERFORMANCE & MONITORING

3.1 Street lighting is one of the most important services to the residents of Sunderland and Aurora continues to make good progress in delivering this service for the council. The following report from Aurora will highlight improvements made in 2010 relating to fault response times by NEDL, vandalism to lighting and sign apparatus, the level of customer satisfaction and handling customer responses. To ensure that the service continues to operate at this level the council undertakes a significant performance monitoring regime based on six performance standards.

3.2 There are six Performance Standards (PS) which measured as part of the contract. These are monitored by council officers and deductions made on a monthly basis according to the criteria set down in the

contract. Table 1 highlights the total level of deductions made since contract commencement.

The contract standards, the amount of deductions made and the Council's level of monitoring during the 2010-2011 reporting period are as follows; -

PS1 – related to installations of new columns during the Core Investment Period (Applicable years 1 to 5 of the project).

The contract is now in year 8 and therefore no deductions have been made against this standard.

Monitoring: - Not applicable

PS2 – relates to the performance of street lighting and condition of the equipment.

There have been no deductions made against this performance standard.

Monitoring: -

- A monthly check of a random sample of entries from the Management Information Database (MID – Mayrise)
- Random 'on site' checks to verify inventory on MID
- Random on-site checks of light output from lamps, check list generated from the MID. Ad hoc checks carried out by Monitors if complaints received from public.
- Annual random checking of night patrol effectiveness by carrying out a night-time check of a number of lamps over a three week period to check outages against MID data.

PS3 – relates to Operational Responsiveness and Reactive Maintenance.

Deductions made for failing to meet the required performance **£283.44**

Monitoring: -

- Monthly check of a random sample of all jobs raised in a month on the MID database to verify accuracy.

PS4 – relates to responses to Council Officers and members of the general public.

Deductions made for failing to meet the required performance **£3,766.13**

Monitoring: -

- Log of requests and their response kept by Monitors

PS5 – relates to assistance and reporting the Best Value indicators.

There have been no deductions made against this performance standard.

Monitoring: -

- BVPI reporting figures supplied by Contractor, assessed by random checks of MID database

PS6 – relates to working practices and legislation.
Deductions made for failing to meet the required performance

Monitoring: -

- Failures to comply with performance and legislation compiled by Monitors. Information gathered through public reports, highway inspectors' reports and Monitors' observations.

Table 1: Deductions since Contract Award

Contract Year	Period	PS1	PS2	PS3	PS4	PS5	PS6
1	Sept 03 to Sept 04	£2,197,658.60	£0.00	£49,460.00	£20,925.00	£0.00	£0.00
2	Sept 04 to Sept 05	£1,717,423.00	£0.00	£19,139.00	£7,743.00	£0.00	£10,000.00
3	Sept 05 to Sept 06	£1,271,011.59	£0.00	£18,438.00	£11,702.00	£0.00	£3,945.00
4	Sept 06 to Sept 07	£805,578.55	£0.00	£24,598.00	£19,586.00	£0.00	£3,000.00
5	Sept 07 to Sept 08	£290,664.63	£0.00	£5,794.39	£4,569.59	£0.00	£4,250.00
Sub Total (CIP)		£6,282,336.37	£0.00	£117,429.39	£64,525.59	£0.00	£21,195.00
6	Sept 08 to Sept 09	£0.00	£0.00	£183.80	£5,342.16	£0.00	£0.00
7	Sept 09 to Sept 10	£0.00	£0.00	£283.44	£3,766.13	£0.00	£0.00
Total		£6,282,336.37	£0.00	£117,896.63	£73,633.88	£0.00	£21,195.00

4.0 AURORA'S REPORT

4.1 The following report has been prepared by Aurora and covers its performance and activity from September 2009 to September 2010.

4.2 Representatives from Aurora, Phil Jordan (PFI General Manager), Ronnie Barnet (Contract Delivery Manager) and Neil Bailey (Design Manager), will be attending the meeting to present their report and to answer any questions raised by members.

5.0 RECOMMENDATIONS

5.1 The Committee is recommended to note the content of this report.

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