

REPORT OF THE EXECUTIVE DIRECTOR CITY SERVICES

PROJECT UPDATE: STREET LIGHTING AND HIGHWAY SIGNS PFI CONTRACT

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

1.0 Why is has this report come to Committee

1.1 The reason why the report has been brought to Committee is that progress on the Street Lighting and Highway Signs PFI is included on the Committee's 2009-2010 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. Since commencement the Committee has received annual progress reports from Aurora.

2.2 Following its sixth year of operation in 2009 and having completed the Core Investment Programme (renewal and replacement programme) in August 2008, Aurora has focused on the operation and maintenance aspects of the street lighting service.

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

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

3.0 Contract Performance

3.1 There are six Performance Standards (PS) which are measured as part of the contract. These are monitored by council officers and deductions made according to the criteria set down in the contract. The standards are listed below together with the deductions made during the 2009-2010 reporting period.

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 7 and therefore no deductions have been made against this standard.

PS2 – relates to the performance of street lighting and condition of the equipment.
There have been no deductions made against this performance standard.

PS3 – relates to Operational Responsiveness and Reactive Maintenance.
Deductions made for failing to meet the required performance £188.96

PS4 – relates to responses to Council Officers and members of the general public.
Deductions made for failing to meet the required performance £3,856.59

PS5 – relates to assistance and reporting the Best Value indicators.
There have been no deductions made against this performance standard.

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

During 2009 there have been no Change Notices issued as variations to the contract.

4.0 Aurora's Report

- 4.1 The attached report has been prepared by Aurora and covers its performance and activity in 2009.
- 4.2 Representatives from Aurora 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.