North Tyneside Council

Newcastle City Council

Joint Street Lighting Committee

20 March 2018

Street Lighting PFI Performance Report for 1 July 2017 to 31 December 2017

Report by: **Paul Nelson, Environmental Sustainability and Street Lighting Manager, North Tyneside Council**

Ward Implications: **All**

For Information

1. Summary

1.1 This report details the performance of the service provider between 1 July 2017 and 31 December 2017 and includes additional details on electricity consumption, spend and reduction programmes.

2. Recommendation

2.1 Committee is recommended to receive this report for information and note the comments on performance.

3. Introduction/Background

3.1 This report covers the period between 1 July 2017 and 31 December 2017 and outlines performance against a number of contract performance standards and local indicators.

4. Key Issues and Progress

4.1 Contract Monitoring General Comments

4.1.1 There are a small number of instances when the time taken to repair a fault by the District Network Operator (Northern Powergrid) exceeded the 30 day target. There are no instances when the time taken to repair a fault by SSE exceeded the 5 day target.

There are a small number of instances where an emergency response exceeded the 1 hour target.

There are no other performance concerns to highlight. The performance standards are detailed in Appendix 1.

4.2 **Performance Standard 1** – Monitors the Initial Asset Renewal Programme (IARP);

As we are now beyond the IARP period, PS1 now shows the total number of street lighting apparatus in each Local Authority area.

4.3 **Performance Standard 2** – Monitors the percentage of lighting apparatus in lighting across the month. Example values are given. Contract targets are being met.

4.4 **Performance Standard 3** – Monitors responsiveness to repairing faults;

- Criteria A – Emergency response target missed on 5 occasions, however all of these were only marginally missed and were on Christmas Eve, Christmas Day, 29th December and New Year's Eve.
- Criteria B – Performance in this area is satisfactory.

4.5 **Electricity consumption and spend;**

Both Authorities are consuming less electricity than the contractual forecast. Commentary is given on progress towards making further efficiencies through the introduction of LED lighting.

4.6 **Financial**

4.6.1 Contract payment is by means of a unitary charge which would be subject to deductions and penalties for poor performance. Details of the payments and penalties are provided in the confidential Finance Report.

5. **What Happens Next**

5.1 Six monthly performance reports will be presented at future Joint Street Lighting Committee meetings.

6. **Further Information**

6.1 Background papers are held by;

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JOINT STREET LIGHTING COMMITTEE

PFI Progress Report for 1st July 2017 to 31st December 2017

Performance Standard 1 - Total Number of Street Lighting Apparatus

Month	Newcastle	North Tyneside
	No. of street lighting apparatus	No. of street lighting apparatus
July 2017	40,321	31,158
August 2017	40,314	31,157
September 2017	40,307	31,160
October 2017	40,284	31,160
November 2017	40,262	31,176
December 2017	40,224	31,177

Performance Standard 2

Month	Newcastle		North Tyneside	
	% of Apparatus in Lighting (Target)	% of Apparatus in Lighting (Achieved)	% of Apparatus in Lighting (Target)	% of Apparatus in Lighting (Achieved)
July 2017	98.50%	99.69%	98.50%	99.68%
August 2017	98.50%	99.72%	98.50%	99.66%
September 2017	98.50%	99.57%	98.50%	99.66%
October 2017	98.50%	99.51%	98.50%	99.50%
November 2017	98.50%	99.65%	98.50%	99.53%
December 2017	98.50%	99.75%	98.50%	99.58%

The performance is calculated in the following way, using July 16 as an example;

	Newcastle	North Tyneside
The total number of units in the area	39955	30773
The total number of days in the month	31	31
The total number of units that failed	302	418
The number of days in the scouting period	31	31
The average number of days to repair a fault	1.62	1.52

The above values are input into a deduction formula and an output value is obtained. If the value is equal to or exceeds 98.5% there is no deduction.

Performance Standard 3
Emergency Faults Criteria A

Month	Newcastle		North Tyneside	
	Number of Emergency responses	Number of Emergency responses attended within 1 hour	Number of Emergency responses	Number of Emergency responses attended within 1 hour
July 2017	2	2	3	3
August 2017	11	11	3	3
September 2017	20	20	8	8
October 2017	15	15	11	11
November 2017	14	14	5	5
December 2017	12	9	14	12
Number of Hours in excess of the 1 hour response time	3		2	

PERFORMANCE STANDARD 3 Criteria B

Newcastle repairs performance

	SSE repairs - Target 5 working days						Northern Powergrid repairs - Target 30 working days				
	Number of faults / instances	Number repaired within target	% within target	Av time	Max time		Number of faults / instances	Number repaired within target	% within target	Av time	Max time
Jul-17	264	264	100%	2.85	4		14	13	93%	21.2	41
Aug-17	212	212	100%	3.14	5		3	3	100%	20	20
Sep-17	344	344	100%	3.03	5		16	13	81%	28.6	122
Oct-17	480	480	100%	2.46	5		14	14	100%	18.4	27
Nov-17	379	379	100%	2.24	5		9	9	100%	12.2	19
Dec-17	225	225	100%	2.64	5		5	5	100%	19	22

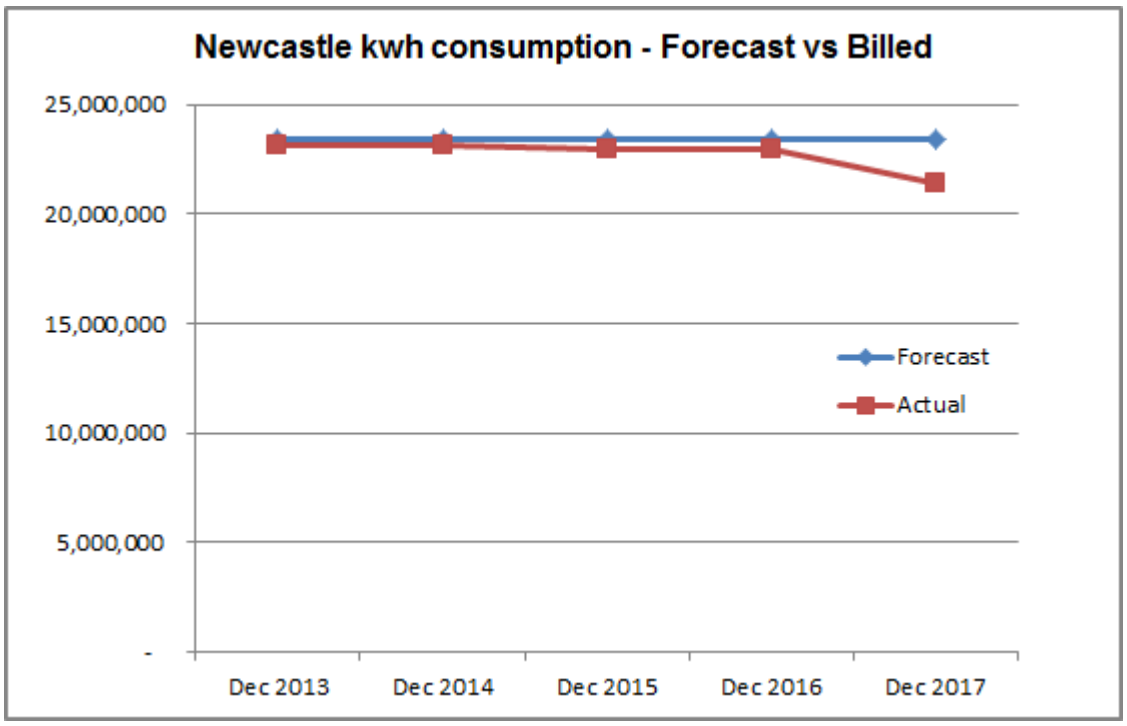
PERFORMANCE STANDARD 3 Criteria B

North Tyneside repairs performance

	SSE repairs - Target 5 working days						Northern Powergrid repairs - Target 30 working days				
	Number of faults / instances	Number repaired within target	% within target	Av time	Max time		Number of faults / instances	Number repaired within target	% within target	Av time	Max time
Jul-17	218	218	100%	2.71	5		7	6	86%	19	39
Aug-17	201	201	100%	3.14	5		8	8	100%	20	23
Sep-17	189	189	100%	3.32	5		8	8	100%	19.5	23
Oct-17	376	376	100%	2.51	5		6	5	83%	40.2	130
Nov-17	312	312	100%	2.82	5		5	5	100%	11.8	13
Dec-17	307	307	100%	2.58	5		2	2	100%	19	23

Newcastle Electricity Consumption

12 months to	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17
Forecast consumption kwh	23,427,356	23,427,356	23,427,356	23,427,356	23,427,356
Billed consumption kwh	23,160,377	23,147,446	22,981,953	22,923,183	21,415,531
Difference kwh	- 266,979	- 279,910	- 445,403	- 504,173	- 2,011,825
Actual Energy Cost	£2,268,588	£2,278,197	£2,442,359	£2,471,382	£2,405,726
Forecast cost at current unit rate					**£2,623,156**
Avoided costs					**£217,430**



The table and graph above show the electricity consumption forecast included in the contract with SSE and the actual billed electricity consumption to the Council.* In the most recent 12 months to date, there is a sharp reduction in the billed consumption level as the share that the Council receives of the AZO Ballast / GE Streetwise project is realised.

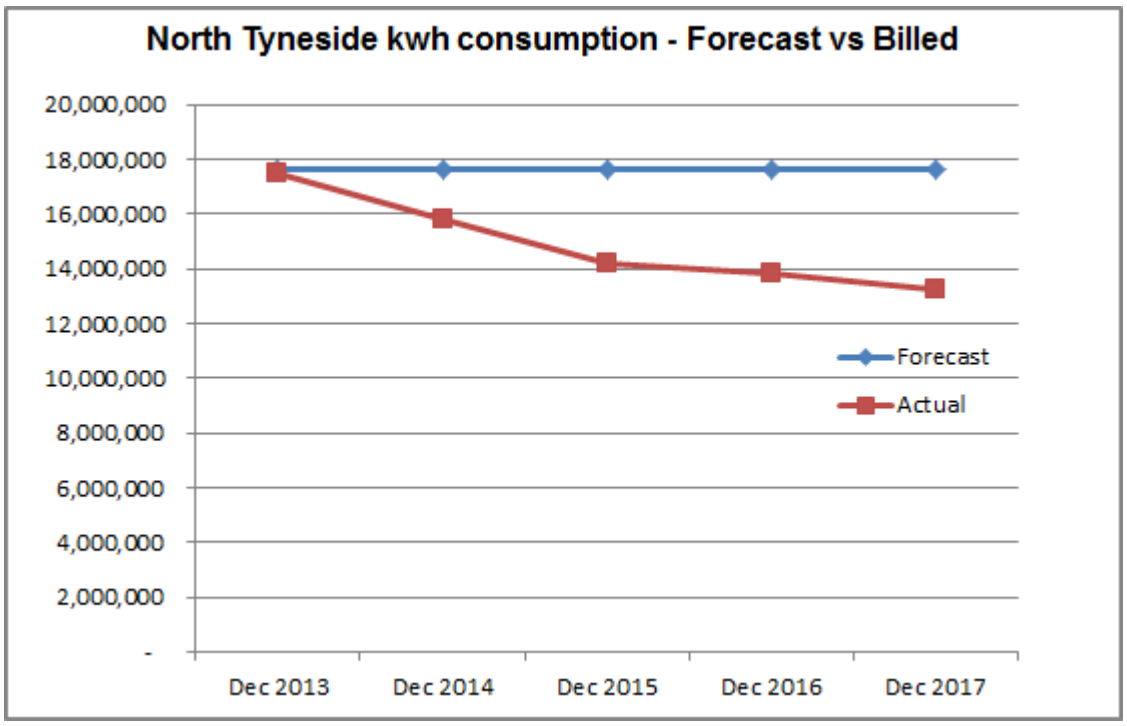
Had the Council been consuming the forecast electricity of 23,427,356 kwh's at the current unit rate, it would be paying £217k extra in electricity charges.

Furthermore, officers have developed the business case to replace all street lamps across the City with LEDs, which will deliver significant kwh and financial savings, and are at the final stages of awarding the contract (through the PFI).

*Note: The billed consumption level can be different to the actual consumption level because the consumption savings from some energy efficiency schemes can be shared between the Council and SSE.

North Tyneside Electricity Consumption

12 months to	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17
Forecast consumption kwh	17,611,959	17,611,959	17,611,959	17,611,959	17,611,959
Billed consumption kwh	17,480,451	15,798,264	14,185,451	13,852,330	13,222,301
Difference kwh	- 131,508	- 1,813,695	- 3,426,508	- 3,759,629	- 4,389,658
Actual Energy Cost	£1,717,093	£1,556,702	£1,501,388	£1,502,055	£1,504,980
Forecast cost at current unit rate					**£2,005,122**
Avoided costs					**£500,142**



The table and graph above show the electricity consumption forecast included in the contract with SSE and the actual billed electricity consumption to the Council.* North Tyneside Council has enjoyed significant kwh consumption savings through its dimming, trimming and part night switch off programmes, as witnessed from 2014. Savings from the on-going LED replacement programme can start to be seen in the latter part of 2017 and will continue into 2019 until full year savings are realised.

Regarding the LED scheme, of the 7,300 columns included in the programme, 7,092 are now designed and 5,074 (as at end of February 2018) have been installed. Overall, the programme will produce almost £500k in energy, maintenance and carbon charges.

Had the Council been consuming the forecast electricity of 17,611,959 kwh's at the current unit rate, it would be paying £500k extra in electricity charges.

*Note: The billed consumption level can be different to the actual consumption level because the consumption savings from some energy efficiency schemes can be shared between the Council and SSE.