

STREETS AND ENVIRONMENT SCRUTINY SUB-COMMITTEE

Minutes of the meeting held on Wednesday 23 July 2014 at 6.30pm in the Council Chamber, Town Hall, Katherine Street, Croydon.

EXTRACT FROM MINUTES – PART A

Present: Councillor Sean Fitzsimons (Chair)
Councillors Sara Bashford (Vice-Chair), Karen Jewitt, Stephen Mann, Paul Scott, Donald Speakman and James Thompson

Also in attendance: Councillors Robert Canning and Andrew Pelling

A8/14 STREET LIGHTING PFI UPDATE

The following officers were in attendance for this item:

- Tony Brooks, Director of Environment
- Steve Iles, Head of Highways and Parking Services
- Neville Brandon, John Wrinn and Richard Newnham (Skanska)
- Kevin Newham and Angelo Fitzhenry (UK Power Networks)

Members were given a presentation on the progress of the Core Investment Programme for Street Lighting PFI (Private Finance Initiative) joint project between Croydon Council and Lewisham Council. The presentation covered the following areas:

- The street lighting replacement strategy
- Key milestone
- The current situation
- Project challenges
- Programme recovery to date
- Plans for future improvements
- Consultation and information
- Street lighting conservation areas

Members focused their questioning on the project challenges outlined by officers. They were advised that approximately 70% of Croydon's street lighting was connected to a very complex dedicated street lighting power supply known locally as the Croydon Central System ("CCS"), which has been found to be unique to this PFI contract. Officers added that this electricity network needed to be decommissioned limb by limb and that a number of stump columns linked to the system needed to be kept temporarily to maintain the integrity of the network.

Officers remarked that lighting columns in Lewisham were connected to the UK Power Network's Distribution Network and therefore were not affected by this issue. In addition, members were informed that Coulsdon east and west wards, where electric street lighting had been introduced

later than more northerly wards, were not affected by the CCS, which had been installed in the early 20th century solely to provide street lighting.

Members questioned officers on their programme recovery plan, which had been drawn up to address significant delays in replacing columns. They were informed that officers hoped to work on two fronts in the same time to make up for lost time and to replace 1000 units a month instead of 800 as originally planned. Officers also admitted that communications needed to be improved, particularly to address issues brought about by the delays.

Members enquired why some streets had been given lighting on one side only. They were advised that this had been due to the fact that there was no power cable on one side of the road. However, they gave members assurances that the lighting had been provided to British Standards.

Members pointed out that research and surveys preceding the signing of the contract had revealed early on that the CCS had a high concentration of different types of wiring, which was very old and in need of replacement. They asked whether the contract had included a risk clause to take into account the possibility of encountering complications when attempting to upgrade the circuitry.

Members enquired how the Croydon and Lewisham PFI differed from other Skanska contracts around the country. Officers explained that this was by far the most challenging contract they had had to deliver for some time. In addition, it was felt that bidders had not had a full understanding of the complexity and scale of non-standard wiring included in their technical drawings.

It was pointed out, however, that a programme of street lighting replacement in 2005-2006 would have revealed the difficulties encountered when working with the CCS and its triple concentric cable, the nature of which made it difficult to work on *live*. Members expressed their surprise at the fact that this knowledge had not be taken into consideration when putting together the bid.

Members questioned officers regarding the upgrading of road signs. Officers confirmed that they were included in the contract but that, as a result of a change in regulations in the last three years, an instruction had been issued to de-illuminate them where possible. This might provide the opportunity to make some savings.

Officers informed members that there were approximately 650 column stumps across the borough. To date some 140 stumps had been removed with a further 53 scheduled to be taken out over the month of August. Asked about the slow speed of removal, officers explained that hasty disconnection might lead to large numbers of new columns malfunctioning and to further delays in implementation.

Members asked about the scrappage value of the old equipment. They were advised that they were owned by Skanska, and that most columns, being life-expired, were likely to go to scrap, while heritage style columns would be recycled.

Members enquired how the programme of lighting replacement had been drawn up. They were advised that an open discussion had taken place between the councils concerned and the contractors, recognising the challenges presented by the CCS but not fully appreciating the difficulties the triple concentric cable would cause. Skanska then put together a work plan, which was agreed by the councils.

Members enquired whether the relationship between contractors Skanska and UK Power Networks (UKPN) was as good as it could be. It was explained that Skanska were the clients of UKPN, from whom they hired jointers to carry out the works. Members were told that the relationship between the two had evolved from day one and developed a better partnership than any other contract. In comparison with an initiative in Cambridge, which was being implemented by two managers, staffing resources allocated to the Croydon and Lambeth contract included a senior programme manager, a programme manager and administrative support. Asked whether jointers could be moved to Croydon from Lewisham, contractors explained that there was flexibility in arrangements between the two boroughs and that contractors had ensured jointers were competent to work on a range of different networks.

Members asked what penalties would be levied in view of the delays in implementation. Officers explained that Skanska were only paid for work done, and that monies which had been due to be paid at this stage of the project were sitting in the council's account, accruing interest.

Members highlighted the inconvenience caused by current delays to local residents and the heightened risk of accidents and continuing fear of crime due to poor lighting. They questioned officers further regarding penalties and were informed that the contract could be terminated if three successive milestones were missed and the work was delayed by 18 months. Contractors explained that they were currently 8 months behind schedule and had been paid for 7000 columns less than planned. As a result, they were planning to increase the number of jointers, improve co-ordination and look for ways to reduce the need to shut down the system (because of the triple concentric cable) to make up for this delay. The cost of additional resources would be paid by Skanska.

Questioned on the flexibility of the lighting system, officers explained that each new light was connected to a system which could dim it or turn it up according to local need. Asked about the quality of light to be provided, officers stated that it was based on British Standard EN13201 (Part 2). Officers also explained that there was a detailed lighting plan for each street in the borough, which were designed to minimise the likelihood of obstructive lighting. Officers affirmed that the new lighting was more direct

and focused on the areas to be lit. They had heard some residents complain that they could no longer clearly see their front door locks as the level of lighting around their homes had been reduced after the installation of new columns.

Members reported that some columns had been put in in the middle of the pavement, causing an obstruction to individuals with prams or in wheelchairs. They expressed their disappointment at the lack of consultation undertaken with residents regarding the installation of new lighting and explained that displaying small notices on the forthcoming installation of new columns on pavements had given residents no opportunity to discuss any emerging issues with the contractor and put forward practical alternatives.

Officers admitted that lighting should never be put in the middle of pavements and explained that the position of columns had been set to meet British Standard lighting levels. They added that property boundaries were also prioritised as preferred locations. Officers acknowledged that consultation on lighting could be improved. However, they affirmed that the position of some columns had been changed following discussions with local residents.

A local resident was invited to share his concerns regarding the installation of new lighting columns. He was given written answers to a list of questions which had been submitted to council officers prior to the Scrutiny meeting. He asked whether Skanska had produce a lighting design for each street in the borough, taking their unique characteristics and needs into consideration, and was given detailed street lighting designs for Lebanon, Cedar and Chisholm Roads. He also highlighted issues with light spillage but was given assurances that the new lights were more directional and caused less light pollution than those which they had replaced.

Officers were asked why lighting works on Bingham Road (Addiscombe) had taken three months (from November 2013 to February 2014) and undertook to make further enquiries on this matter.

Members reported that sections of pavements had been completely blocked off during works, endangering walkers who had to step onto busy roads to circumvent them and presenting a major obstacle to the wheelchair-bound. Officers encouraged members to report the location of any such blockages so that they could be addressed promptly.

Members were advised that the contract was monitoring through twice yearly joint committee meetings with Lewisham councillors. They felt that these meetings had failed to scrutinise the implementation of the contract thoroughly and effectively and called for significant improvements to this process.

At the end of this item, Members expressed their disappointment with the poor quality of the answers given by the Skanska contractor to their questions and their consternation at the fact that it was officers of the council who stepped in and answered members' questions and concerns. The performance of Skanska both in delivering the contract and in failing to address members' concerns led them to conclude that the management of risks associated with this initiative had been left with the council rather than the organisation undertaking the 'capital replacement' element, and that this is contrary to the key principle of Private Finance Initiatives.

The Sub-Committee reached the following conclusions:

- Serious concerns were expressed regarding the backlog in the street lighting programme
- Dismay was expressed regarding the delays due to the CSS and its triple concentric cable as these issues would have been known to the Council and Skanska in 2006 prior to the signing of the contract
- Members called for significant changes to the contract monitoring process to ensure that they are robust, that all issues relating to the implementation of the contract are detected and tackled swiftly and efficiently and that the scrutiny process becomes transparent
- Members stressed that lessons should be learnt from this Scrutiny review to ensure that future scrutiny of council contracts yielded positive and tangible outcomes
- Consultation with residents needed improvement to ensure that residents had an opportunity to share concerns about the placement of lighting columns or other aspects of the work
- Local councillors and MPs should be provided with copies of all consultation materials and other communications about street lighting installations in their ward
- Officers should ensure that walkers should not be compelled to walk onto roads to get round blockages on pavements due to ongoing work
- Members requested that information be produced on the cost of the delays to the council, the community and contractors and stressed that action should be taken to ensure that the council suffered no losses
- Members requested further information on the controls and penalties included in the street lighting contract
- A follow-up agenda item on street lighting should be added to the Sub-Committee's work programme
- Members asked for a walkabout to be organised in the Addiscombe and Ashburton area to examine works carried out and identify areas for improvement.

RESOLVED:

- That a follow-up agenda item on street lighting be added to the Sub-Committee's work programme.
- That a 'walkabout' be organised in the Addiscombe and Ashburton area to examine works carried out and identify areas for improvement.