

minutes



Meeting STREET LIGHTING REPAIR SELECT COMMITTEE

Date Monday, 14 May 2007 (commencing at 10.30 am)

Membership

Persons absent are marked with 'A'

COUNCILLORS

The Hon Joan Taylor (Chair)
Andy Stewart (Vice-Chair)

A Jen Cole
A Vince Dobson
A Helen Holt
Jim Napier

Philip Owen
David Shaw
Jason Zadrozny

MINUTES

The minutes of the last meeting of the Select Committee held on 23 April 2007 were confirmed and signed by the Chair.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor V H Dobson and Councillor Helen Holt.

DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

There were no declarations of interest.

WORK PROGRAMME

Martin Gately, Scrutiny Officer referred to the backlog of repair works that the Select Committee had requested and said that this was attached as an appendix to the report. The Select Committee were reminded that this was their final meeting and that they were required to hear evidence presented on Ofgem's responsibilities and proposals then proceed to draw up recommendations.

The work programme was noted.

PRESENTATION FROM THE OFFICE OF GAS AND ELECTRICITY MARKETS (OFGEM)

Councillor The Hon Joan Taylor welcomed Roger Morgan, Senior Connections Policy Manager from Ofgem. Mr Morgan had been invited to give a presentation on Ofgem's responsibilities and provide an update on competition in the connections market.

In terms of competition in the electricity connections market this had developed slowly and was based on voluntary arrangements with Electricity Distribution Network Operators (DNOs). The Select Committee heard about the options available to a Local Authority such as Rent-a-Jointer Schemes, triangular agreements as well as Independent Connection Providers (ICPs). He said that each year Ofgem carries out a review of the connections market to assess the nature and level of competition including the volume of connections carried out. Mr Morgan said that data for 2005/2006 showed a significant decrease in the volume of independent connections providers carrying out the connections work.

Ofgem had received an increasing number of complaints about connections, which had led to a connections review being initiated in May 2006. Mr Morgan said that the review had considered DNO performance against a trial national service level agreement (SLA) and proposed to establish national minimum performance levels that Ofgem would expect DNOs to surpass; and depending on the outcome of the data consider what action might be taken. Mr Morgan added that one of its requirements was for the DNO to report performance data on a quarterly basis. Local Authorities had an opportunity to sign on to the SLA or a local agreement with their DNO, in terms of work planning, programming to improve performance. A number of Authorities had not signed up to the SLA which meant that performance comparisons were inconsistent.

A proposal document had been drawn up following the findings of the review which Mr Morgan informed the Select Committee on. This also included performance data for the period April 05-March 06 that had been collated under the trial unmetered SLA. The data had been displayed along with the figures for the industry average.

The Select Committee was invited to ask questions following the presentation. Councillor Jim Napier referred to the performance data on emergency faults and asked how the 80% benchmark came to be. Mr Morgan said that this was a result of the consultation. The DNOs had agreed the target that the Local Authorities were not supportive of. Gary Wood from the Communities Department said that he would want reasons as to why the 80% benchmark was not met. Councillor Napier wondered who funded Ofgem. Mr Morgan pointed out that they were funded by the distribution companies and licenses.

Councillor Owen was appalled at the performance figures for Central Networks East and said that Ofgem should be setting the standards for the DNOs. He asked what powers Ofgem had as regulators to deal with poor performance. Mr Morgan explained that if they were sure that they had reliable performance data and the performance was poor then they could consider introducing a financial penalty or a license modification. Mr Wood pointed out that data was already there and it was apparent that Central Networks East was not doing the work expected of it. The Authority had already had liaison meetings to improve matters yet it was still was not

working. Mr Morgan said that Ofgem were concerned and that Local Authorities had not come forward with any suggestions on how to move forward. The minimum benchmarks for performance had been introduced as a starting point. Ofgem still required reliable data.

In response to a question on charging arrangements it was pointed out that there were differing charging arrangements. Councillor Taylor asked if there was a way that the Authority could carry out its own fault repair work. Mr Wood explained that the Authority was not accredited to provide external supplies and could not employ anyone else to carry out the fault work.

The Select Committee felt that Ofgem were listening more to the needs of the DNO needs and were concerned that the Authority was getting judged on somebody else's poor work. They also felt that Ofgem should place the protection of the interests of customers at the centre of its regulatory activities rather than the views of the DNOs.

Mr Morgan acknowledged the Select Committee's concerns in relation to Central Networks East and said that he would discuss matters both internally and with the DNO. He reassured Members that Ofgem would be measuring performance closely and reviewing whether further measures will be required after the 12 month reporting period.

Due to the amount of detail they had heard, it was agreed that approval be sought for a further meeting be arranged to allow the Select Committee more time to formulate its recommendations.

The meeting closed at 12.30pm.

CHAIR

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