



meeting

ENVIRONMENT STANDING SELECT COMMITTEE

date

18 OCTOBER 2004

agenda item no

6

REPORT OF THE DIRECTOR OF ENVIRONMENT

PERFORMANCE OF CENTRAL NETWORKS IN RELATION TO STREET LIGHTING

Purpose of Report

1. To advise Members of Central Network's response to the Environment Select Committee Report of 29 June 2004, "Street Lighting Performance – Outage And Service Level Agreement With Central Networks (Formerly East Midlands Electricity)".

Background

2. Central Networks (formerly East Midlands Electricity) is the company responsible for electricity distribution to 97% of Nottinghamshire's street lights. Most street lighting faults are the responsibility of the County Council or its maintenance Agents. However, where the fault lies with the electricity supply, or where new schemes require electrical connection, this work has to be undertaken by Central Networks.
3. As far as street lighting is concerned, Central Networks divides its activities into two self-explanatory businesses, "Repairs & Restoration" and "New Connections". Both businesses are run by Central Networks, but actual works are contracted out to "External Service Suppliers" (ESPs). When the ESPs were changed in the autumn of 2002 there was a serious dip in performance. Indeed, a number of much delayed repairs and unlit new schemes attracted significant media interest and much criticism of the then EME.
4. County and District Members have therefore continued to take much interest in the ongoing performance of Central Networks and its ESPs. This is particularly because of the monopoly position of all the electricity industry "Distribution Network Operators", of which Central Networks is one. The June report was written in this light and reflected a continued number of problems being experienced. These included aspects such as: not informing the authority when works had been

completed; delayed and inaccurate invoicing; and examples of works taking several months to complete.

The response of Central Networks

5. Over the last few months it is felt that the performance of Central Networks and its ESPs has improved. Particular attention is now being paid to addressing longstanding works and dealing with the invoicing backlog. The former East and West Midlands operations are currently being combined and a specific public lighting business unit has been set up. These are welcome developments. Central Networks has indicated a willingness to attend this meeting and, no doubt, will wish to use the opportunity to explain what is being done to further improve the situation and to address concerns raised by Members.
6. In addition, Central Networks has asked that two factual issues in the June report be clarified. These are as follows:

Monopoly Position (paragraph 7 in the June report)

7. Central Network's distribution business (of which street lighting is a part) is fully overseen by the Regulator OFGEM (along with that of all other DNOs). However, OFGEM has historically concentrated on the metered market (generally domestic and industrial), not the unmetered market. Hence national performance measures have been lacking for street lighting which has hindered focus on this area of work.

Service Level Agreement (paragraph 8 in the June report)

8. The then EME voluntarily offered a Service Level Agreement in mid 2003. This offered a 20 working day repair response (effectively one calendar month) against the authority's desired standard of seven calendar days. EME was asked to reduce this to 15 working days but rather than the request being "refused", it is more appropriate to say that the option was not available at that time but remained an aspiration for EME. It is understood that Central Networks already offers 15 working days in the West Midlands part of its operation.

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Director of Environment

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