

# report



meeting **STREET LIGHTING REPAIR SELECT COMMITTEE**

date **23 APRIL 2007**

agenda item no

## **Report of the Service Director (Highways)**

### **Purpose of Report**

1. To brief Members on the current legal framework in relation to street lighting fault repair and the recent history of performance of Central Networks (E-ON). The report is not intended to give a history of the various internal reorganisations or operational issues within Central Networks over recent years.

### **Background**

2. Central Networks (formerly East Midlands Electricity –EME) are the Distribution Network Operator (DNO) responsible for the electricity supply to 97% of Nottinghamshire's street lights. The other 3% being the responsibility of Yorkshire Electricity. The majority of faults are the responsibility of the County Council to rectify. Any faults which occur on the electricity supply have to be repaired by the DNO. Clearly the performance of the DNO is a critical factor in insuring that street lighting repairs are carried out efficiently.
3. Cable repair work on Central Network's mains is non-competitive under primary legislation. This means that this particular aspect of their work is in essence a monopoly; however, it is overseen by the regulator – Ofgem (The Office of Gas and Electricity Markets). There is no choice in who we enter in to contracts with in respect of this service. Central Networks, as monopoly supplier, can dictate the service standards they wish to apply. In the past we have had to resort to the media to "shame" the then EME into action. There was a significant dip in the performance in autumn 2002 which created media interest and criticism of the then EME.
4. 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 our desired standard of seven calendar days. We asked them to reduce this to 15 working days but they were unable to provide this level of service. At

that time Central Networks already offered a 15 working days standard in the west midlands part of its operation.

5. Following an Environment Select Committee report in Oct 2004, Central Networks agreed to bring regular reports to the then Environment Select Committee. Concerns of NCC Officers at that time were delayed and inaccurate invoicing and examples of some works taking several months to be completed. Reports were produced for 10 January 2005, 4 April 2005 and 31 October 2005 Environment Select Committees. Representatives of Central Networks also attended Select Committee to present their case and be questioned by Select Committee Members. Despite promises of improvement there has been little evidence to support this.

The Performance of Central Networks for the above period is shown in Table 1 below

Table 1. Performance Prior to National Service Level Agreement

Period	Percentage of normal faults completed within 20 day standard of service	Percentage of urgent faults completed within 15 days standard of service
1 <sup>st</sup> Sept 04 to 30 <sup>th</sup> Nov 04	85	100
1 <sup>st</sup> Dec 04 to 28 <sup>th</sup> Feb 05	68	81
March 05	96	80

### **National Service Level Agreement**

6. In April 2005 Ofgem introduced a trial National Service Level Agreement (NSLA). The objectives of the trial are for all Distribution Network Operators, such as Central Networks, to report their performance on street lighting work in a consistent format and for OFGEM to consider performance levels across the country. Nottinghamshire County Council agreed to monitor Central Network's submission to OFGEM on a monthly basis. The new standards are 15 days for single unit faults and 5 days for multiple unit faults. Single Unit fault categories are further split, into Emergency, High Priority Fault Repair and Normal. For which the service standards are attendance within 2 hours, completion of repair within 24 hours and completion of repair within 15 days respectively. The performance of Central Networks in respect of the NSLA standards is shown in Table 2 below.

Table 2. Performance under National Service Level Agreement

Period	Percentage single unit emergency fault completed within 2 hr standard of service	Percentage single unit high priority fault completed within 24 hr standard of service	Percentage single unit normal priority fault completed within 15 day standard of service	Percentage of multiple unit faults completed within 5 day standard of service
1 <sup>st</sup> Apr 05 to 31 <sup>st</sup> May 05	None issued to Central Networks	None issued to Central Networks	84	100
1 <sup>st</sup> Jun 05 to 31 <sup>st</sup> Aug 05	100	None issued to Central Networks	90	0 <sup>*</sup>
1st Sep 05 to 31st Jan 06	74	100	39	30

\* There were 3 multiple faults completed in this period, 1 was completed in 6 – 10 days and 2 were completed within 11 – 20 days.

7. Data produced by Ofgem shows that Central Networks East were the worst performing DNO in the Country (out of 14 areas) in respect of single unit and multiple unit fault repairs for 2005/06. Central Networks West whilst still performing below the national average in these areas had significantly better performance than Central Networks East in respect of these fault repair standards. Verified data for 06/07 is not yet available from Ofgem.

#### **Best Value Performance Indicator**

8. Central Government introduced a Best Value Performance Indicator in April 2005 - BV215b. This indicator is reported to Government on an annual basis and internally on a quarterly basis. The indicator measures the average time to repair a street lighting fault, where the fault is under the control of the Distribution Network Operator (Central Networks). The County Council have set a target of 15 days for this indicator. This indicator is submitted directly by Highway Authorities to Central Government and has caused some concern at a national level as it is an indicator that Councils are tasked to report and yet have very limited influence over. As comparison BV 215a measures the performance of Highway Authorities in a similar manner. The target for this indicator is 7

days. The performance of both Central Networks (BV215b) and Nottinghamshire County Council (BV215a) is shown in Table 3 below.

Period	Performance Indicator Central Networks BV215b <b>Target 15 days</b>	Performance Indicator NCC BV215a <b>Target 7 days</b>
Quarter 1 2005/06	11.33	5.55
Quarter 2	28.36	6.19
Quarter 3	37.07	6.25
Quarter 4	68.72	8.73
<b>Full Year 2005/06</b>	<b>35.69</b>	<b>6.63</b>
Quarter 1 2006/07	49.26	6.52
Quarter 2	72.59	6.27
Quarter 3	29.37	6.50
Quarter 4	Currently being calculated	Currently being calculated
<b>Full Year 2006/07</b>	Currently being calculated	Currently being calculated

9. Clearly the performance of Central Networks in relation to BV215b is significantly outside the target of 15 days. Figures for Nottingham City for BV215b (2005/06) – 37.19 days, Derbyshire - 36.94 days, Derby City 32.41days, Leicestershire – 25.5 days and Leicester City 46.72 show that this problem is wide spread with the Central Networks Eastern area. Nationally Bottom quartile performance for all County Highway Authorities was below 32.81 days. Nottinghamshire with a figure of 35.69 days are in the bottom quartile for this indicator.
10. Operational meetings are held with Central Networks on a regular basis to push for service improvements and identify ways that NCC can assist Central Networks in information flow. The delay in receiving accurate invoices from Central Networks is also an area of concern, which is raised at these meetings.

#### **Current Status of National Service Level Agreement**

11. Ofgem consulted on the extension of the NSLA trial for a further year in Feb 2007. NCC's response was to express our frustration at having an additional year of a trial and to recommend that the NSLA be placed on a formal footing with agreed targets with penalties payable for non performance. A copy of the full response is included at Appendix A.

## **Conclusion**

12. The performance of Central Networks clearly has an impact on Street Lighting outage levels within the County and multiple repeat reports of lights not working are received by the Communities Department on a regular basis. There is concern as Highway Authority on the impact from a road safety and community safety point of view. In addition, it reflects poorly on the Authority as members of the public see as totally the County Council's responsibility. These issues, understandably cause high levels of frustration with residents, Officers and elected Members. Frustratingly, there is a significant difference in the performance of Central Networks East and West. Members of the Select Committee are invited to consider the contents of this report in their review of street lighting repair.

**Bob Hart**  
**Service Director (Highways) 11<sup>th</sup> April 2007**