

WIRRAL COUNCIL

BUSINESS OVERVIEW AND SCRUTINY COMMITTEE 12 JULY 2016

SUBJECT:	Street Lighting – Scottish Power Performance
WARD/S AFFECTED:	All Wards
REPORT OF:	Mark Smith, Head of Environment and Regulation
RESPONSIBLE PORTFOLIO HOLDER:	Councillor Stuart Whittingham, Cabinet Member for Highways and Infrastructure
KEY DECISION?	No

1.0 EXECUTIVE SUMMARY

- 1.1 The majority of the Council's 38,000 street lights are directly connected to the electrical mains and, as a result, the electricity network operator for Wirral is directly involved with any disconnection or connection of the street light to the mains. The report sets out the nature and extent of the relationship with the electrical network operator, Scottish Power, and their performance in providing the required service to the Council.
- 1.2 The maintenance of highways, including street lighting, is a statutory duty for the Council as highway authority.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 SP Distribution Ltd and SP Manweb Plc. (collectively branded as SP Energy Networks), are the Licenced Distribution Network Operators (LDNO) serving South and Central Scotland and Merseyside, Cheshire and North Wales respectively. The LDNOs distribute electricity to a range of customers comprising domestic, commercial and industrial, from a combined Distribution System of 65,000 km of underground cables and 47,000 km of overhead lines.
- 2.2 Under the Electricity Act 1989, Ofgem is responsible for granting licences for the purposes of the distribution of electricity. LDNOs are obliged to comply with the licence conditions contained within the distribution licence. The LDNOs then allow the Council to connect our highway lighting asset to this network via metered or un-metered supplies on the provision we meet, and adhere to, certain conditions.
- 2.3 Ofgem has worked closely with the industry to develop guaranteed standards of performance for new connections to metered and unmetered electricity connections services provided by LDNOs. The purpose of the standards is to ensure that customers, including the Council, who source connections from

LDNOs, are guaranteed a good level of service. The guaranteed standards that have been developed are backed up by a licence condition which sets a performance target of 90% which will apply across the standards.

- 2.4 As part of this licence (Standard Licence Condition 15A), SP Energy Networks have service level standards which are set and regulated by Ofgem. Standard Licence Condition 15A provides guidance to LDNOs regarding the Electricity Distribution Licence and the connections guaranteed standards of performance regime, Electricity (Guaranteed Standards of Performance) Regulations 2010, as revised in 2015.
- 2.5 Exemptions and/or extensions to these standards can be requested from either the LDNO or the Council. Under certain operational and/or technical circumstances, and where an exemption is applied and agreed, then the requirements to make a penalty payment if the agreed date (or the prescribed period) is not met is waived as compliance with the standard has been deemed to have been met. In these circumstances, covered in the Regulations, it allows the LDNO to extend an agreed date by a reasonable period. The LDNO still needs to deliver the service and the new extended date is then the date that the distributor must meet to comply with the Regulations. Failure to meet the new extended date would result in the appropriate penalty. In some circumstances, depending on the specific exemption invoked (such as the customer no longer wishing the Distributor to take any action) the LDNO would not be required to carry out the service request.
- 2.6 The Council applied the penalty clause 8 times in 2013/14 and 13 times in 2014/15 and recovered £4,020 from the LDNO as a result. A summary of the work issued to Scottish Power is shown in Table 1 below.

Year	Request issued to Scottish Power by the Council
2014/15	284 requests for work. 13 failed to meet the regulation standard time. As no request for an extension was applied for these 13 service requests, a total penalty claim of £2170 was paid to the Council.
2015/16	181 requests for work. 9 requests for time extensions received due to unforeseen operational issues and all have been completed within the permitted time frame.
2016/17	To date 67 requests for work. 43 are still within the permitted time for completion, and we have received extension requests for 5 difficult locations.

Table1 – Requests for work issued to Scottish Power

2.7 It is necessary to take in to account third party works issued under our current Tri-Partite agreement with Jones Lighting, and facilitated on our behalf by BAM Nuttall, for works issued under Ofgem’s Competition in Connections arrangements. Although any works instructions issued still technically fall under the same service level standards, independent connection providers (ICP’s) are not bound by the same legislation

as the distribution network operator (LDNO). The benefit of this method is significant cost savings to the authority for works issued this way, but has a disadvantage of while we can complain, and even terminate an agreement, we cannot penalise the ICP financially for late completion.

- 2.8 At present our LDNO (Scottish Power) are providing good performance with delivery and give no overall cause for concern. Once work is issued to Scottish Power, it very rarely remains unresolved for an abnormal length of time.
- 2.9 To date £4,020 (in 2013/14 and 2015/15) has been recovered in late completion penalties where no exemptions have been requested. This level of non-compliance is a small quantity based on the number of requests issued to them and there has been no non-compliance in 2015/16 or so far this year.

3.0 RELEVANT RISKS

- 3.1 The ability of the Council to maintain its street lighting can be directly affected by the performance of Scottish Power, and the fines imposed for a low number of non-compliances in 2013/14 and 2014/15, and the improved performance in subsequent years, has addressed that particular risk

4.0 OTHER OPTIONS CONSIDERED

- 4.1 None – this report provides an overview of performance only.

5.0 CONSULTATION

- 5.1 None – this report provides an overview of performance only.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 None.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 None.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 None arising specifically from this report.

9.0 LEGAL IMPLICATIONS

- 9.1 The maintenance of highways, including street lighting, is a statutory duty for the Council as highway authority.

10.0 EQUALITIES IMPLICATIONS

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 None specific to this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 None specific to this report

13.0 RECOMMENDATION/S

13.1 It is recommended that the Committee:

- (i) Note the report; and
- (ii) Provide views on the performance of Scottish Power in order that improvements to the street lighting service can be made.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 Consideration of the performance in delivering service outcomes, and improvements which can be made, is an important part of the role of the Committee.

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APPENDICES

None

BACKGROUND PAPERS/REFERENCE MATERIAL

The Electricity Act 1989 Standard conditions of the Electricity Distribution Licence can be viewed at

<https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Distribution%20Consolidated%20Standard%20Licence%20Conditions%20-%20Current%20Version.pdf>

The Electricity (Standards of Performance) Regulations 2010 can be viewed at

http://www.legislation.gov.uk/ukxi/2010/698/pdfs/ukxi_20100698_en.pdf

and the recent, revised, standards, the Electricity (Standards of Performance) Regulations 2015 can be viewed at

https://www.ofgem.gov.uk/sites/default/files/docs/2015/04/notification_revised_standards_2015.pdf

Ofgem's Competition in connections to electricity distribution systems - Decision Document can be viewed at

<https://www.ofgem.gov.uk/sites/default/files/docs/2005/02/9808-6005.pdf>

BRIEFING NOTES HISTORY

Briefing Note	Date
None	

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Regeneration and Environment Policy and Performance Committee – Street Lighting Update	2 March 2016