

Environment & Regeneration Select Committee

A meeting of Environment & Regeneration Select Committee was held on Monday, 24th July, 2006.

Present: Cllr Mrs J Beaumont(Chairman); Cllr D Cains, Cllr J A Fletcher, Cllr A Larkin, Cllr W Noble, Cllr Mrs A Norton, Cllr Mrs B Robinson, Cllr F G Salt, Cllr M Smith, Cllr B Woodhead

Officers: M Henderson(LD), T Andrew, M Skipsey(DNS).

Also in attendance: N/A

Apologies: Cllr Leckonby, Cllr Teasdale, Cllr Walmsley.

382 Declarations of Interest

Councillor Norton declared a personal non/prejudicial interest in respect of item 5 – Review of Street Lighting as she was employed by NPower.

383 Draft minutes of the meeting held on 3rd July 2006.

The draft minutes of the meeting held on 3rd July 2006 were given consideration.

CONCLUDED that the minutes be forwarded to Council for consideration.

384 Minutes

The minutes of the meeting held on 5th June 2006 were signed by the Chairman.

385 Review of Street Lighting - To Take evidence from the following witnesses:- Martin Skipsey(NEPO), Judith Shaw(IUSO), Ray Helmsley(NEDL).

Mr M. Skipsey (Stockton Borough Council Procurement – Resources) was present to provide the Committee with evidence relating the Council's Membership of the North East Purchasing Organisation (NEPO)

The Committee noted that NEPO was a purchasing and contracting consortium of North East Local Authorities and aimed to aggregate contracts and pool purchasing knowledge to deliver measurable savings and other benefits for member authorities. The Organisation had existed since the early 70's and Stockton Borough Council had joined in the 1990's. The Committee noted that NEPO procured electricity for the Council, and other member authorities, through a contract with NPower.

Evidence received and debated by the Committee related to the following areas:-

- The tendering process and operation of the framework contract with NPower. The Committee noted that NPower did not produce electricity, but purchased it. The contract prices were therefore centred around administrative and transport costs charged. The terms of the contract allowed substantial flexibility.

- Supply of electricity based on:-

1. metered, half hourly (consumed in Council buildings etc).
2. un metered with a set charge (used by street lighting)

- Factors leading to recent increased costs of electricity (a graph detailing increases was distributed) and a consequent move toward flexible purchasing, to maximise savings and spread risk.

- Measuring value for money issues, associated with the contract, including benchmarking with comparator authorities and Major Energy User Council statistics. Committee noted that indications were that Council was achieving value for money.

- The different types of Green electricity available and the debate over what constituted Green electricity. Committee noted that the Council's electricity costs would increase by approximately 14% if it switched entirely to Green electricity.

- Costs associated with not using any Green Energy. The Committee noted that attempts would be made to estimate this cost, whilst having regard to the climate change levy.

- Balancing efficiencies brought about by using energy saving street lighting and the consequent affects on bulk purchase savings.

- Method of reconciliation and payment for electricity used under the contract.

The Committee then heard evidence from Judith Shaw of Cal Energy Electrical Services (CE). She explained that her company was essentially a connection provider and was contracted by Northern Electrical Distribution Limited (NEDL) to connect street lighting columns to the electricity supply in Stockton Borough and many other local authorities in the North East.

Members received and debated information relating to the following areas.

- Particular responsibilities of Cal Energy, David Webster's Ltd and NEDL, in terms of maintenance of street lighting columns.

- The performance targets of CAL Energy versus those expected under government BVPIs.

- Service Level Agreement.

- Monitoring progress of works.

- Issues surrounding recent poor performance of CAL Energy and NEDL. It was noted that, in CAL Energy's case, the dip in performance had been caused by problems with one of their contractors and had recently been resolved.

- New regulations that would allow the Council to consider a range of jointer providers.

- Possibility of Council's Street Lighting Management System providing information on faults including an indication of which contractor was responsible for undertaking the necessary works.

The Committee noted that a representative from NEDL had been unable to attend the Committee's meeting, however, a written response to a number of questions posed had been received and was circulated to Members.

The Committee noted that arrangements were being made for a representative from Middlesbrough Borough Council to attend a meeting of the Select Committee to discuss their experiences.

It was also suggested that Redcar and Cleveland may be able to provide relevant information for consideration by the Committee. Members agreed that the Scrutiny Officer, in conjunction with the link officer and Chair should consider this further.

It was agreed that the meeting that was going to be held on 4th September 2006 be moved to 11th September 2006.

CONCLUDED that:-

- 1.The evidence provided be received.
- 2.The meeting that was scheduled for 4th September 2006 be moved to 11th September 2006.