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**SSE CONTRACTING PART OF WINNING CONSORTIUM  
FOR £245M PFI CONTRACT**

A consortium comprising SSE Contracting, its parent company Scottish and Southern Energy plc, and Royal Bank Leasing, has been named as the preferred bidder for a £245 million joint street lighting Private Finance Initiative (PFI) contract between Newcastle City Council and North Tyneside Council.

Under the contract, the consortium will work in partnership with the two councils to improve street lighting in both areas.

More than 50,000 lighting columns will be replaced within the first five years. After that, new columns will be added to provide new lighting in poorly lit areas including 30 kilometres of un-lit back lanes within the two authorities. The contract also includes 5,000 illuminated traffic signs and 3,000 illuminated traffic bollards.

New state-of-the-art 'white' lights will replace ageing columns and yellow lighting, making streets safer, reducing night sky light pollution and significantly increasing energy efficiency.

"We are delighted to have been named as preferred bidder for such a prestigious contract", commented Ray Stowell, Managing Director of SSE Contracting Lighting Services. "This is another milestone in the development of the business".

"I understand that taking the PFI route has enabled both councils to access a level of funding which could not have been achieved from other sources", he explained. "Under current arrangements it would have taken 140 years to replace all the street lighting in Newcastle upon Tyne and North Tyneside".

press release

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SSE Contracting is a trading name of Southern Electric Contracting Limited  
and part of the Scottish and Southern Energy Group



Newcastle City Council cabinet member for community planning, Councillor Barry Phillipson, said: "Improving street lighting is a top priority for residents in both areas and we expect this project to have a significant impact on road safety, tackling crime and improving the local environment. Newcastle and North Tyneside councils set out on this project in 2001. In November of that year the Government gave their approval to our joint bid to replace over 50,000 lighting columns and provide new lighting in poorly lit areas. Today's announcement is a significant step in improving our local environment".

North Tyneside Council cabinet member for environment and regeneration, Councillor Ed Hodson said: "This is a very good deal for the people and businesses we represent. By working in partnership, the councils have found savings through economies of scale and attracted the maximum government support. He continued: "Poor street lighting is one of the most common complaints to most councils and there is no doubt that without this scheme our residents would continue to experience poor lighting into the future. This is an excellent solution to what once appeared to be an intractable problem".

It is expected that the two councils will sign the contract at the end of 2003. The consortium will then deliver the project over the next 25 years.

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