

REPORT TO CABINET

22 January 2020

Subject:	Sandwell MBC Street lighting SOX to LED conversion - Phase 2 & 3
Presenting Cabinet Member:	Councillor Jackie Taylor – Cabinet Member for Sustainable Transport
Director:	Executive Director – Neighbourhoods – Alison Knight Director Regeneration and Growth - Amy Harhoff
Contribution towards Vision 2030: 	
Key Decision:	Yes
Cabinet Member Approval and Date:	Councillor Jackie Taylor – January 2020
Director Approval:	Amy Harhoff
Reason for Urgency:	Urgency provisions to not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Boroughwide
Scrutiny Consultation Considered?	Scrutiny have not been consulted
Contact Officer(s):	John Sheppard Operations Manager John_sheppard@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

Authorise the Director – Regeneration and Growth to award a contract for Tranche 2 & 3 street lighting SOX to LED conversions, following a compliant competitive tender.

1 PURPOSE OF THE REPORT

1.1 Authority is sought to authorise the Director – Regeneration and Growth, to approve and award the contract and accept a tender for Tranche 2 and 3 street lighting SOX to LED conversions, once the evaluation process is complete following a compliant competitive tender exercise.

2. The principal objectives are;

2.1 Following the Tranche 1 replacement of 3,600 lanterns we are seeking approval to replace a further 7,044 of the lanterns in the borough before life expiry because spare parts will no longer be manufactured.

2.2 To meet target revenue savings requirements rising to £402,000 per year (by energy reduction) through a spend to save capital project facilitated by an interest free loan.

2.3 To assist with delivering the carbon reduction targets to be met by the Council.

3. BACKGROUND AND MAIN CONSIDERATIONS

3.1 On 14th November 2018 cabinet approved a capital allocation of £3.86 million for the conversion of 11,329 life expired Sox lanterns to energy efficient LED lighting.

3.2 SOX (Sodium Trioxide) lanterns are now outdated technology when compared with efficient LED lighting that can also be controlled by CMS management systems for enhanced energy savings. The working components of a SOX lantern, such as the lamp, transformer, switch and capacitor will no longer be manufactured from 2020. The cost of restocking replacement parts is already escalating in advance of the suspension of manufacture. Stocks will run out in 2020/2021.

3.3 Tranche 1 has already been procured and installed through the Black Country Framework Contract. This framework contract is no longer a viable option; therefore, we are seeking approval to procure a contract through an open competitive tender process.

4 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

4.1 The proposals in this report are consistent with the previous report to cabinet dated 14th November 2018 for the approval of interest free Salix funding to replace 11,329 lanterns from SOX to LED lanterns.

5 ALTERNATIVE OPTIONS

5.1 To not progress with Tranche 2 and 3 would result in the failure of over 7,000 street-lights over the next 4 years. Approximately, two thirds of the street-lights would go out, therefore the consequential reputational for the Council would be significant.

6 STRATEGIC RESOURCE IMPLICATIONS

6.1 The projected annual savings from the project are £402,477; repayment of the prudential borrowing will cost £175,000 pa and the net savings of £227,477 pa will contribute to the directorate's medium-term financial strategy.

6.4 The use of LED technology will allow for the continued incorporation of CMS control nodes to extend the operation of dimming and trimming to almost half of the street lighting stock. The capital cost of CMS is around 21% of the project cost and will enhance the revenue energy savings by around 23% providing significant added value. The enhanced savings are achieved by trimming lighting durations (by better management of the switch on and switch off times) and by dimming the lighting levels slightly between midnight and 4am when traffic is light. Dimming and trimming has been operating satisfactorily on more than 4,000 lanterns for the last 4 years.

6.5 A SIU appraisal report has been undertaken to support the previous Cabinet report dated 14th November 2018.

6.6 The energy savings will accumulate as the lanterns are replaced and the street lighting inventory is updated with the energy supply company. The project capital costs will be invoiced in arrears of the work and are paid monthly. The energy savings are often secured more quickly and in advance of the payment of invoices for the work undertaken.

- 6.7 The main risk is that the necessary SOX lantern replacements are not completed before spare parts run out leading to extensive lighting failures across the borough. This has been managed by previous cabinet approval for an interest free loan and funding approval. Risk of delay will be monitored and managed through the monthly highway capital programme monitoring group and project quarterly reviews to identify and compensate for any delay.
- 6.8 A key service risk relates to third party liability claims arising from accident and injury for non-compliance with statutory obligations to mitigate safety risks by providing adequate lighting on the public highway. Decisions must be taken on reasonable grounds with due care and regard to relevant considerations in best practice guidance 'Well-maintained Highways' Code of Practice for Highways Maintenance. The Highway Infrastructure Asset Management Plan sets out the council's arrangements for maintenance.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

- 7.4 The principal statutory duty imposed on highway authorities to maintain the highway maintainable at public expense is set out in Section 41 of the Highways Act 1980.
- 7.5 The Traffic Management Act 2004 imposes a network management duty on a council to manage day-to-day operational use of its highways to 'keep traffic moving'.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 An Equality Impact Assessment (EIA) initial screening has been undertaken. The screening identified that there will be no adverse impact on people or groups with protected characteristics as a result of the proposals contained within the report. A full EIA is not therefore required.

12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 12.1 These proposals support 2030 Ambitions 5 and 6 in keeping the roads operating safely and efficiently during the hours of darkness.

13 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 13.1 Sandwell's Highways are maintainable at public expense. This proposal will help deliver the aims and objectives as set out in the Corporate Asset Management Plan and The Highway Asset Management Plan aimed at ensuring the safety of the highway network.

14 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 14.1 Authority is sought to delegate to the Director – Regeneration and Growth, to approve and award the contract and accept a tender for the continued provision of the SOX lantern conversions, following a compliant competitive tender exercise.

15 BACKGROUND PAPERS

- 15.1 Well-maintained Highways Code of Practice for Highways Maintenance Management 2005 Edition Last updated 18 September 2013.
- 15.2 SIU Appraisal Report 24th October 2018.
- 15.3 Sandwell MBC Highway Infrastructure Asset Management Plan last updated March 2018.
- 15.4 Cabinet Report 14th November 2018.

16 APPENDICES

- 16.1 None

Amy Harhoff
Director – Regeneration and Growth