

SERVICE AREA:	Neighbourhoods and Operations
SUBJECT MATTER:	LED STREET LIGHTING
DECISION:	A wholesale LED lantern replacement programme be approved for outstanding main road traffic routes over two years at a cost of £3.6M.
DECISION TAKER(S):	Executive Cabinet
DESIGNATION OF DECISION TAKER(S):	Executive Cabinet
DATE OF DECISION:	24 October 2018
REASON FOR DECISION:	To provide an improved and more sustainable highway related asset for the residents and businesses of Tameside and deliver revenue savings of £274,375 per year based on current prices.
ALTERNATIVE OPTIONS REJECTED (if any):	To not undertake the LED replacement programme would not realise the deliver energy savings and reduce CO2 emissions, nor deliver the revenue savings.
CONSULTEES:	STaR procurement would be consulted on the appointment of a contractor to undertake a procurement exercise, in accordance with Council's Standing Orders.
FINANCIAL IMPLICATIONS: (Authorised by Section 151 Officer)	<p>A previous report was presented at the Council's Strategic Planning and Capital Monitoring Panel in December 2014 for £5M to begin a wholesale LED lantern replacement programme starting initially with the residential roads. This was later approved by Executive Cabinet. At the time of the December 2014 report it was not economically viable to undertake a replacement programme for the Main Road lanterns due to the payback period being 28 years. The report recommended that after three years another feasibility assessment should be undertaken on the financial viability of an LED replacement scheme for the main roads, due to the anticipated improvements in this technology and expected reductions in lantern costs.</p> <p>This report discusses the outlay of £3.6M for LED lanterns on main roads which have been appraised in section 3. It has now been projected to have a payback period of 13 years and the operational life is 25 years under the manufacturer's guarantee. However, it fails to take into account time value of money and does not factor in the additional cash flows beyond the payback period.</p> <p>A total of £3.6M has been earmarked for LED Lighting in the capital programme in October 2017. The breakdown of this amount can be reviewed in Table 5 of this report. The scheme has been marked as 'business critical in the review of the capital programme paper to Board in July 2018. The scheme is deemed to be business critical due to the potential savings</p>

	<p>of £0.274M. Based on feedback from STAR procurement, there is a potential to achieve further savings which should be explored. Table 8 within the submitted report provides an outline of on the project delivery over a period of two years. The analysis of forecast savings or cost avoidance expected from the delivery of LED street lamp replacement on residential and main roads is shown in tables 2 and 3.</p> <p>The Medium Term Financial Plan assumes a net savings of £0.25M from 2019/20 as a result of undertaking this project. However, such savings are subject to inflation and change in energy costs, so the service area should ensure that energy usage is monitored alongside actual cost to track and demonstrate that savings are being delivered by this investment.</p> <p>The project offers more sustainable and environmental friendly way of conducting operations as there will be less co2 emissions and hence the Council will improve its carbon foot prints targets.</p> <p>Expenditure on capital scheme must comply with guidance from Code of Practice on Local Authority Accounting. Any none capital related expenditure will be transferred to revenue and funded from existing revenue budgets.</p>
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	The Council has statutory powers under s97 Highways Act 1980 to light highways for which it is responsible. It is also responsible for lighting some traffic signs under the Traffic Signs Regulations and General Directions 2016. However, any approach in respect of lighting must be undertaken as efficiently and effectively as possible. This is more important given the significant calls on budget.
CONFLICT OF INTEREST:	There were no declarations of interest.
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	Not applicable.
REFERENCE DOCUMENTS:	<p>The background papers relating to this report can be inspected by contacting the report authors, Lee Holland</p> <p>Telephone:0161 342 3978</p> <p>e-mail: lee.holland@tameside.gov.uk</p>

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