

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION**DECISION TO BE TAKEN BY:**

**Cabinet Member for Environment and Transport
Mr Mathew Balfour**

DECISION NO:

15/00028

For publication

Subject: Street Lighting Conversion to LED

Decision:

As Cabinet Member for Environment & Transport, I agree to the conversion of the County Council's stock of street lights to LED, in accordance with the expectations set out in the report. This includes the necessary procurement of services to fit and maintain the lanterns and subsequent award of a 15 year contract to the preferred bidder with the potential for extension.

Governance: The Council's Executive Scheme of Officer Delegation provides the authority pathway enabling officers to undertake actions necessary to the implementation of the decision, in consultation with the Cabinet Member.

On this occasion, any potential extension period is NOT delegated to officers owing to the length of the proposed contract and a further key decision will be taken at the time should that be desirable

Reasons for Decision:

Kent County Council is one of the largest lighting authorities in the UK and has 118,000 street lights and some 25,000 lit signs and bollards. The annual cost of illuminating and maintaining the stock is over £9.5m, a cost that keeps rising.

Converting the County Council's street lights to Light Emitting Diode (LED) with a Central Management System (CMS) would reduce the energy and CRC costs by 60% and significantly reduce maintenance costs. The conversion works would cost approximately £40m and deliver an annual saving of around £5.2m; this means that the scheme will pay for itself over a maximum of 8 years. The estimated cost is the result of extensive research and engagement with the market and manufacturers of LED and CMS products. However, the exact cost will be become evident on completion of a competitive procurement process.

The County Council has secured from SALIX, a Government organisation funded by the Department of Energy and Climate Change, an interest free loan of £22m. Repayment of this loan is to be funded corporately through the existing financing items budget; this means that the resulting savings will go towards GET's MTFP targets.

The County Council has applied for grant funding from the Department for Transport's challenge fund and is pursuing additional funding from the EU. In the meanwhile the County Council has undertaken to underwrite the £18m funding gap.

Given the value of the contract, an OJEU compliant procurement process will be followed to award a single contract for the following:

- Conversion of the County Council's entire stock of streetlights to LED
- Provision of CMS
- Provision of ongoing Maintenance

The duration of the contract is proposed to be for a minimum term of 15 years with a potential extension period. The procurement process will be an Open Tender in that any organisation with suitable technical experience and capability to deliver the service will be able to submit a priced proposal.

Cabinet Committee recommendations and other consultation:

This proposal was the subject of a report to the meeting of the Environment and Transport Cabinet Committee on 5 December 2014 and Members endorsed the decision. The scheme was therefore included in the Capital Programme which was approved by the County Council on 12 February 2015.

Any alternatives considered:

A full appraisal of the technology and associated cost and benefits was undertaken by officers in consultation with the Cabinet Member before it was agreed to pursue LED lighting as a preferred option

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None

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signed

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Date