

# Record of decision taken under delegated powers by a council officer



Title:	<b>Convert Street Lights to LED</b>
Divisions Affected:	<b>All</b>
Key Decision:	<b>Yes</b>
Reason Key:	<b>Over £500,000</b>
Decision taken under delegation by virtue of:	<b>Committee decision:</b> Cabinet 30 October 2018 (Minute 176/18) delegated authority to the Head of Highways and Transport in consultation with the Cabinet Member for Highways (at that time the role was the Lead Member for Place), the Leader of the Council and the Section 151 Officer to complete the negotiation of the contractual variation and authorise the execution of a Deed of Variation to the Street Lighting PFI contract.

## Summary

Following Cabinet's approval to convert the Council's street lights to LED in October 2018, Officers have carried out the necessary work to agree the legal and commercial aspects of the Change Agreement and are now ready to proceed to the execution of the Deed of Variation to the PFI Contract.

## Decision made

### Decision made:

It was AGREED that:

1. To approve the final negotiated position with Surrey Lighting Services and authorise them to proceed with the change protocol with their subcontractor, Skanska, and the Principal Lender.
2. Subject to no material amendments as a result of the above process, the execution of the Deed of Variation and associated documents to enact the Street Lighting LED Conversion Programme.

### Reasons for Decision:

The preferred solution was well developed between the 2 Cabinet reports being presented (January 2018 and October 2018) with an estimated price of £20.4 million to complete the work over a 3 year period delivering annual savings of £2 million in energy costs once lights were converted (at 2018/19 prices).

The revised price is £19.2 million. This reduction of £1.2 million is a combination of:

- Clarifying the scope and reducing risk and their associated costs
- Programming work to take advantage of existing maintenance regimes where costs have already been covered under the PFI contract

- Negotiating improved prices for certain aspects

Decision taken by:	<b>Lucy Monie</b> – Head of Highways and Transport
Decision taken on:	14 <sup>th</sup> August 2019
To be implemented on:	Autumn 2019 (upon execution of the Deed of Variation)

### Alternative options considered

Alternative options were considered as part of the original Cabinet papers in 2018

### Summary of any financial implications

#### Costs

- £19.2 million capital over 3 years from commencement in Autumn 2019

#### Savings

- Interest savings of £6.7 million over the life of the project through a £14.4 million Salix Energy Efficiency Loan (savings are compared with PWLB borrowing for the full capital cost)
- £2 million annual energy savings once lights have been converted (indexed with energy inflation @ 9% per annum)

### Declarations of conflicts of interest

None

### Consultation/Process Followed

In line with the delegated authority in consultation with:  
 Matt Furniss – Cabinet member for Highways  
 Tim Oliver – Leader of the Council  
 Leigh Whitehouse – Section 151 Officer

### Background Documents

Cabinet January 2018	Exempt: Yes / <b>No</b>
Cabinet October 2018	Yes / <b>No</b>
LED Change Sign Off July 18	<b>Yes</b> / No