

ROTHERHAM BOROUGH COUNCIL – REPORT TO Cabinet

1.	Meeting:	Cabinet
2.	Date:	24th April, 2013
3.	Title:	Street Lighting Invest to Save Initiatives
4.	Programme Area:	Environment and Development Services

5. Summary

5.1

The report seeks approval from Cabinet for a proposed 'invest to save' initiative in street lighting. The report was presented and the proposals supported by SLT at a meeting on 11th March 2013.

Under the Council's constitution (app 9, scheme of delegation, page 9), all key decisions are to be made by Cabinet.

The definition of a key decision, in the constitution, is:

(b) any decisions that will result in income, expenditure or savings with a gross effect of £500,000 or greater (whether or not the item has been included in the relevant approved budget and including the provision by the Council of cash flow funding to third parties)

6. Recommendations

- 6.1 It is recommended that Cabinet approve the proposed Street Lighting 'invest to save' initiatives outlined in this report.**

7. Proposals and Details

As part of the Council's Street Lighting strategy, new technology and products are monitored and advantage taken, whenever possible, to improve the quality of light provided whilst minimising the associated environmental impact.

As the use of LED technology is becoming more prevalent, there is an opportunity to utilise this technology to reduce the energy used in street lighting whilst providing quality lighting that may prove relatively maintenance free in the long term. Manufacturers are claiming that LED units should have a life span of around 20 - 25 years.

Initially two areas of investment are proposed;

- Street Lighting on main routes and conflict areas such as roundabouts, traffic controlled junctions other major road junctions – the replacement of approximately 800 no. 250watt high pressure sodium units to be installed over a 4 month period. Potential energy savings are 650,000 Kwh / annum, with the added benefit of the reduction in maintenance required to access and rectify any inoperative units.
- Street Lighting on other arterial routes – the replacement of approximately 5,500 no. 150w high pressure sodium units to be installed over a 3 year period. Potential energy savings are 1,900,000 Kwh/annum, with the added benefit of the reduction in maintenance required to access and rectify any inoperative units.

8. Finance

The financial implications associated with this project are illustrated below are based on current energy prices:

	2013/14	2014/15	2015/16	2016/17
Capital Financing Cost				
<u>250w SON Units</u>	£400,000			
<u>150w SON Units</u>	£825,000	£825,000	£825,000	
Total	£1,225,000	£825,000	£825,000	
Revenue costs - Borrowing Repayments				
<u>250w SON Units</u>		£29,000	£28,500	£28,000
<u>150w SON Units</u>		£60,000	£119,000	£177,000
Total		£89,000	£147,500	£205,000
Revenue Maintenance Savings				
<u>250w SON Units</u>	£15,000	£20,000	£20,000	£20,000
<u>150w SON Units</u>	£12,000	£46,000	£68,000	£80,000
Energy Savings				

<u>250w SON Units</u>	£41,000	£65,000	£65,000	65000
<u>150w SON Units</u>	£29,000	£108,000	£161,000	190000
Net Revenue savings				
<u>250w SON Units</u>	£56,000	£56,000	£56,500	£57,000
<u>150w SON Units</u>	£41,000	£94,000	£110,000	£93,000
TOTAL REVENUE SAVINGS	£97,000	£150,000	£166,500	£150,000

9. Risks and Uncertainties

The wholesale cost of buying electricity fluctuates significantly over the year and is difficult to predict future year's price changes. The effect of increases or decreases in energy costs have not been included in the financial modelling, however, the installation of more efficient lights will help improve the Council's overall position either by delivering cashable savings or by mitigating against the increased energy charges through 'avoided costs'.

As technology is moving forward at such a pace, more energy efficient units may become available in future years.

Manufacturers may not be able to meet demand for units in the quantities required, especially as other authorities are looking to install LED technology.

10. Policy and Performance Agenda Implications

The proposals would support corporate policies:

Helping to create safe and healthy communities

- Providing safer and well maintained roads

Improving the environment

- Reducing CO2 emissions and lower levels of air pollution
- Promoting sustainable development

11. Background Papers and Consultation

Rotherham MBC Budget Proposals 2013-14.

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