

## **Wiltshire Council**

### **Environment Select Committee**

**20 December 2012**

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## **Report of the Street Light Savings Rapid Scrutiny Exercise**

### **Purpose**

1. The findings and recommendations will be forwarded to the Cabinet Member for approval and be retrospectively ratified by the Select Committee at its next meeting, December 20 2012.

### **Background**

2. The Street Light Savings originates from the Council meeting held on the 28<sup>th</sup> February, where under item 16 "Wiltshire Council's Business and Financial Plan Update and Budget 2012/13"
3. The Environment Select Committee at its 30<sup>th</sup> August 2012 meeting resolved to conduct a Rapid Scrutiny Exercise of the Street Light Savings plans before consideration by Cabinet (December 18 2012).
4. The options presented as part of the proposal are as follows:
  - 1) Permanently turn off street lights
  - 2) Part night lighting and dimming
  - 3) Part night lighting and dimming with Management System
  - 4) LED (Light Emitting Diode) Lighting
3. The Cabinet Member provided the members with an overview of the general document and the options, following which some of the below issues emerged:

### **Issues Raised**

4. The terms of investment have been calculated using net present value calculations over 25 years. There was concern that this does not indicate the internal rate of return on these investments and is disproportionately long for capital investments of this kind.
5. For option 3 the numbers of street lights concerned would be 50% of existing lights (around 20,000 street lights) and 25% (around 10,000 street lights) for option 4. This needs to be considered when looking at the tables and figures provided. For the 10,000 lights in option 4, it would cost around £1million more than option 3.

6. Investing in option 3 would involve dimming lights. This would mean additional costs in converting them later to LED as the technology becomes more available and cheaper. However, option 3 is affordable now at current prices, and can be installed in stages.
7. Some existing lamps are older than the 25 years term used in the net present value calculations. Some may be as old as 40, so far outlived their initial costs terms.
8. Members expressed an interest in seeing evidence from other neighbouring Local Authorities on the costs of LED lighting.
9. When reviewing the options, members concluded that the combination of LED lighting operating with a management system would be the optimal solution were capital not limited.
10. Members explored the carbon reduction allowances that have been included in the calculations - in option 1, removing street lights would, in broad terms, result in a £27.74 per year in energy savings per lamp.
11. The officers informed the members that when reports of a lamp that is broken, repairs are completed in a timely manner. The cost of labour, transport, etc is included in the total price, averaged over all. The thinking behind the options is to minimise costs by doing more predictive work and having more controls in place to provide flexibility and longevity.
12. The members explored the costs involved in turning off a street light in option 1. Turning off the light is cheap; the main costs are involved in disconnecting the supply and removing the pillar and fixtures.
13. Members noted the Cabinet Member's confirmation that consultations have been conducted with Wiltshire Parishes, who had the option of taking part in the pilot through a democratic process where they had the opportunity to tell Wiltshire Council which lamps they would like turned off. Some Parishes came forward, some did not.

## Recommendations

- a) The Rapid Scrutiny acknowledges the reasoning behind option three, however; committee notes proposals are not mutually exclusive and a combination of 3 and 4 would be the optimal solution. The rapid scrutiny would recommend cabinet make capital available to consider options 3 and 4 together.
- b) The rapid scrutiny notes the necessity of using net present value to judge the affordability of large scale capital projects however feels that an alternative approach towards lower value short term projects would be beneficial when considering options.
- c) The rapid scrutiny noted the information given in regard to the lack of current economical viability of alternative energy but wish to recommend the exploration of alternatives in the future.