

LED Street Lighting Update

Report by Ricky Moffat, Head of Commercial Operations

1 Purpose of Report

At its meeting of Wednesday 4 June 2014 the Performance Review and Scrutiny Committee requested that a report be brought forward outlining progress to date in respect of the LED lighting replacement programme. This was to include details of the financial savings anticipated and the possible areas for the investment of these savings.

2 Background

2.1 Current Lighting Stock

Midlothian Council presently operates and maintains 17,618 street lighting lanterns. This number is growing each year as new developments are adopted by the Council. All new lighting adopted by the Councils required to be LED type.

915 lanterns have already been replaced with LED lanterns which equate to just over 5% of the Council's lighting stock. The annual energy saving as a result of these changes is approximately £11,500 per annum. The pay-back period for these lanterns is under eight years.

By way of comparison, replacing an existing 90 watt son light with LED equivalent, results in a two thirds reduction in energy consumption. In addition conventional lanterns have an expected life of approximately two to four years, whilst LED lanterns are expected to have a useful life of twenty years which results in significant maintenance savings.

2.2 LED programme

The replacement LED programme has resulted from internal capital funding and external borrowing from SALIX Finance Limited part of a government initiative.

SALIX Finance Limited is an independent not for profit company funded by

- The Department of Energy and Climate Change
- The Welsh Assembly Government
- The Scottish Government

The following table provides details of the LED replacement programme:-

Year	Action/Proposal	Number of lanterns to be replaced
2013/14	Column and lantern replacement (complete)	915
2014/15	Column and lantern replacement (in progress)	458
2014/15	SALIX borrowing lantern replacement (in progress)	525
2015/16	Proposed Column and lantern replacement	439
2015/16	SALIX borrowing bid to be determined	1697
2016/17	Proposed Column and lantern replacement	461
2017/18	Proposed Column and lantern replacement	449
Total		4,944

A bid for additional SALIX borrowing has been made which would allow for a further 1697 lanterns approximately to be changed in 2015/16.

The column and lantern replacement proposals are based on confirmed funding from the Council's capital budget being made available from 2015/16

Should the LED and capital works funded programmes progress as outlined in the above table this will represent approximately 28% of the current lighting stock.

- 2.3** SALIX borrowing is awarded provided the payback period is less than 8 years. The lanterns included as part of the above programme satisfy that criteria. However there are significant numbers of lanterns within Midlothian where the pay back would be considerably longer.

3 Report Implications

3.1 Resource

The LED lighting replacement programme is being delivered through both the Council's capital programme and an interest free loan from SALIX. The SALIX funding is used to replace only the lanterns where the columns are in a sound condition. The capital programme involves not only the replacement of the lantern but also the columns as they are at the end of their serviceable life.

The current project has a payback period of 7 years. The financial savings made are from a 65% reduction in energy costs and lower maintenance costs. Typically the savings to be made in 2014/15 from the SALIX funded lantern replacements are estimated at just over £38,000 per annum, as these are high wattage lanterns.

Based on industry approved benchmarking savings attributable to the normal capital replacement programme (458 lanterns) are estimated to be around £6,000 per annum as these are lower wattage lanterns.

Savings will result in reduced energy costs in future years and may therefore offset the increase in energy as a result of new lighting infrastructure to be adopted by the Council. However, as these savings are required to finance the loan repayments, savings on revenue budgets will not be available until after this and future loans are repaid.

3.2 Risk

There are no direct risks highlighted as a result of this report. However, failure to invest in LED lighting would represent a missed opportunity in terms of energy savings and carbon reduction.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☒ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☒ Business Transformation and Best Value

3.4 Impact on Performance and Outcomes

The reduction in energy costs will contribute positively to the Council's overall financial position. In addition it will reduce the Council's carbon footprint.

3.5 Adopting a Preventative Approach

LED lighting provides significantly reduced energy use.

3.6 Involving Communities and Other Stakeholders

There has been no specific consultation or communication prior to formulating this report.

3.7 Ensuring Equalities

There are no equality issues as a result of this report.

3.8 Supporting Sustainable Development

Reducing the Council's carbon footprint by utilising LED lighting ensures that the most sustainable form of lighting is being used by the council.

3.9 IT Issues

There are no IT issues as a result of this report.

4 Summary

This report is intended to provide an update to Committee on progress with the LED lighting programme.

5 Recommendations

Committee is asked to note progress with the LED lighting programme as set out in the report.

30 June 2014

Report Contact: Ricky Moffat Tel No 0131 561 5306
ricky.moffat@midlothian.gov.uk

Background Papers:

Declaration Box

Instructions: *This box must be completed by the author of the report. The box will be copied and saved by the Council Secretariat who will delete it from the report prior to photocopying the agenda.*

Title of Report:

Meeting Presented to:

Author of Report:

I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-

- ☐ *All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.*
- ☐ *All risk implications have been addressed.*
- ☐ *All other report implications have been addressed.*
- ☐ *My Director has endorsed the report for submission to the Council Secretariat.*

For Cabinet reports, please advise the Council Secretariat if the report has an education interest. This will allow the report to be located on the Cabinet agenda among the items in which the Religious Representatives are entitled to participate.

Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.