

EXECUTIVE DECISION


made by a Cabinet Member



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L56 17/18

Decision			
1	Title of decision: To include Street Lighting Maintenance within the existing TMC delivered by South West Highways		
2	Decision maker (Cabinet Member): Councillor Ian Bowyer, Leader of the Council		
3	Report author and contact details: Adrian Trim. Ext 7729		
4	Decision to be taken: <ul style="list-style-type: none">To include Street Lighting Maintenance within the existing TMC delivered by South West Highways from 1st April 2018 for the duration of the contract;delegating authority to the Director for Place to agree the necessary contractual terms.		
5	Reasons for decision: To improve efficiency, coordination of activity, reduce congestion and reduce costs to the Council.		
6	Alternative options considered and rejected: Externalisation and re-procurement through OJEU. Bringing the service back in-house.		
7	Financial implications: Synergy of operation with other highway maintenance activities will lead to cost reduction both in the short term and in the longer term through improved planning and co-location. The existing budget of circa £.9m (excluding energy costs) delivers the current maintenance programme of Street Lighting and associated lighting assets.		
8	Is the decision a Key Decision? (Contact Ross Jago, Democratic Support, 304494 for further advice)	Yes X	No results in the Council spending or raising annual income by more than £500,000 (or more than £2,000,000 if that is the total cost of a contract award)?

			X	results in the Council saving more than £1,000,000?
			X	results in the Council saving less than £1,000,000 and the saving will have a material impact upon service provision such as a significant change or a cessation of service delivery and associated staff redundancies or a significant impact on customers?
			X	has a significant impact on communities living or working in two or more wards?
If yes, date of publication of the notice in the Forward Plan		Insert date here please. If not in FP then it will need to be classed as urgent below.		
9	Please specify how this decision is linked to the Council's corporate plan 2016 - 19 and/or the policy framework and/or the revenue/capital budget:			
Urgent decisions				
10	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes	X	(If yes, the Lead Scrutiny Officer must be consulted before approaching the Chair of the relevant Overview and Scrutiny Committee. Ensure that the Chair signs the report at section 11a and that section 11b is completed <u>after</u> the sign off codes in Section 17 are completed)
		No		(If no, go to section 12)
11a	Signature			Date 15/03/18
	Print Name	Councillor Sally Bowie, Chair Place and Corporate Overview and Scrutiny Panel		
11b	Reason for urgency: The Council were unaware of the negotiations between the two parent companies that owned South West Highways and the single ownership outcome (as of February 2018, Eurovia now wholly own South West Highways) that would enable Street Lighting maintenance to be included and delivered as part of the existing Term Maintenance Contract.(TMC). The Council were engaged in an OJEU process to procure a new provider, when the option to include Street Lighting within the existing TMC was presented. The synergy of operation and benefits to the Council in terms of management and delivery are clear. In particular the costs related to procurement, in terms of cost and resources are substantive.			

Consultation				
12	Are any other Cabinet members' portfolios affected by the decision?	Yes	X	(If yes, go to sections 13 and 14)
		No		
13	Which other Cabinet member's portfolio is affected by the decision?	Councillor Steve Ricketts, Cabinet Member for Transport and Housing Delivery Councillor Patrick Nicholson, Cabinet Member for Strategic Planning, Housing and Transport.		
14	Please confirm that you have consulted this Cabinet member	Yes	(No is not an option)	
15	Has any Cabinet member declared a conflict of interest?	Yes		Need a note of dispensation granted by the Council's Monitoring Officer
		No	X	
16	Which Corporate Management Team member has been consulted?	Name and title	Anthony Payne – Director, Place	
17	Please include the sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DSol04 17/18	
		Finance (mandatory)	pl1718.222.	
		Legal (mandatory)	ALT/22847	
		Human Resources		
		Assets		
		IT		
		Procurement		
Other Information				
18	An Equalities Impact Assessment should be attached to the report		Yes	(Please attach the EIA to this report)
Briefing report				
19	Is the briefing report attached?	Yes		(No is not an option)
	List (and include a hyper link to) <u>published</u> work/information used to prepare the report.			
	Do you need to include any confidential/exempt information?	If yes, prepare a second, Part II, report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box. (Remember to keep as much information as possible in the briefing report that will be in the public domain)		
			Exemption Paragraph Number	

	1	2	3	4	5	6	7
Confidential/exempt briefing report title							

Background Papers

20 Please list all background papers relevant to the decision in the table below.
 Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. A folder or a file should not be cited as a background paper, though individual items within the folder or file may be. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Cabinet Member Signature

21 I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget.

Signature		Date of decision	16/3/18
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Print Name	Councillor Ian Bowyer
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Street Lighting Maintenance Briefing Report.

1.1 The current Street Lighting Maintenance Contract terminates on the 31st March 2018. The Council is seeking to include maintenance and installation services for its street lighting and illuminated road signs within the existing Term Maintenance Contract (TMC) delivered by South West Highways. This will improve efficiency and delivery of services through better integration of maintenance operations reducing congestion and offering better value for money. The service also includes lighting in public parks, recreational areas and council owned car parks.

1.2 The Council has invested significantly in Street Lighting with an £8m programme, commencing August 2014 to replace all luminaries with LEDs, the programme will be completed this year.

1.3 With a current budget of £.9m, comprising revenue and capital expenditure, the Council delivers 24/7 emergency cover related to infrastructure and equipment on the Highway, planned maintenance and renewal.

1.4 Assets covered by this contract currently are:

30,854	street lights,
3584	illuminated signs,
1277	illuminated bollards
127	refuge beacons
3713	Miscellaneous units of associated equipment.

2.0 CURRENT SITUATION

2.1 The incumbent contractor (KIER) has decided that their Street Lighting Contract with the Council will end on the March 31st 2018, a six month extension was offered but Kier decided that they did not wish to extend. They have also made it known, they had no intention to retender for a new term maintenance contract due to a corporate management decision to move away from the Street Lighting business.

2.2 The existing KIER service delivery team, comprising 15 staff (3 Office, 1 Supervisor, 11 field operatives) will TUPE transfer to the new provider on the 1st April 2018.

3.0 Improving Service Delivery

3.1 The Council have sought to align the Street Lighting maintenance activity with the TMC contract for some time. The two shareholders owning SWH initially, did not consider the option to be viable and the Council were therefore looking to procure externally through an OJEU competitive tendering process.

3.2 In February 2018, Eurovia became sole owners of the SWH business and significantly have a lighting business of their own called LINK, the second largest contractor for street lighting maintenance. A benefit of this change is that Eurovia's South West Highways can provide Street

Lighting maintenance as an integrated part of the existing TMC and it will be combined fully within the existing TMC as of 1st April.

3.4 The Street Lighting Maintenance operation will be based at Prince Rock Depot with the Team combined into the existing TMC enabling greater efficiency through the integration of other on-road maintenance activities.

3.5 IT and operational equipment / vehicles are currently being appraised and progressed through demobilisation / mobilisation meetings. These are taking place regularly to ensure a smooth transition and effective operational delivery from 1st April.

4.0 ANALYSIS OF BENEFITS AND STRATEGIC FIT

4.1 This proposal enables the Council to consolidate our existing contract securing specialist services that were recently market tested through a competitive tendering process, implemented for the TMC procurement. With South West Highways having recently been selected by the Council as the most economically advantageous tenderer the Council can be confident that this approach secures best value. In addition this approach saves procurement costs which are estimated at between £5k and £10k.

4.2 The transfer of this Street Lighting Maintenance to the TMC will also reduce risk to the Council by providing professional services, delivery, expertise and experience to maintain crucial elements of Highway infrastructure in a more integrated and holistic manner.

4.3 The provision of street lighting per se is not a statutory obligation but fits with the City's 'Growth Agenda' and 'Plymouth Plan' meeting the City's aspirations as the regional centre. Much of the sign lighting on the Highway is however prescribed legally, requiring appropriate maintenance. Once street lighting has been introduced, it is an expectation of external stakeholders (plus a legal requirement that it meets certain standards) that the night-time environment offers safety and protection, this service supports council strategies related to living in and visiting Britain's Ocean City.

5.0 Legal Advice.

5.1 The Head of Legal Services has examined the current contract with South West Highways and confirmed that this requirement is within the scope of that contract. It also complies with the Council's duty to secure best value as South West Highways were recently market tested by way of the Europe-wide competition for the new highways maintenance contract.