

**STREETLIGHTING LOAN REPORT TO COUNCIL
EXTRAORDINARY PARISH COUNCIL MEETING
Wednesday 14th October 2020**

STREETLIGHTING PROJECT SUMMARY

The Parish Council were informed in 2017 that many of the existing bulbs used in streetlighting in Syresham and Crowfield would soon become obsolete and that the Council should consider replacing the lanterns as soon as possible. An upgrade would provide the Parish Council with an opportunity to upgrade the current lighting to:

- a) improve the quality and reliability of lighting in the Parish; including new lights in identified 'dark areas'.
- b) significantly reduce costs of energy usage and maintenance.
- c) reduce the parish's carbon footprint by installing energy efficient LED lanterns.

There are currently 40 streetlights in Syresham and Crowfield. Two of which have already been replaced with LED lanterns, after repairs were not possible.

The project involves:

- 37 lantern upgrades (incl. replacement of service boxes where necessary)
- 1 new column and lantern at the NE corner of The Pound
- 1 new column and lantern Main Road/High Street Junction inc. lit Give Way sign and trenching
- 1 new lantern on WPD pole at The Pound/High Street Junction
- 1 new lantern moved on High Street nearer Chapel/Sunday School Rooms

After a public questionnaire, night surveys and many months of investigations, seeking professional advice and obtaining quotes from three contractors; the Parish Council selected Eon as the preferred contractor. The decision was based on the fact that their quote was the most competitive and they were able to carry out all the installations and connections, rather than having to rely on WPD to carry out the connection work. Eon also are the current Parish Council's maintenance contractors and electricity suppliers and have been found to be competitive and provide a good and reliable service.

The lantern chosen was the Holophane S-Line soft white 18w LED lantern. This is similar to the lanterns that have already been replaced; the Parish Council have received positive comments from residents approving of the quality of light these lanterns produce. The lower wattage and soft white glow were chosen so the light would not be too harsh and bright for a rural area such as this. Shields can also be fitted to the rear of the lanterns if necessary.

The Parish Council have listened to residents' comments from the 2017 residents streetlighting survey, and where possible, have responded to those requests in the streetlight plans. It was not possible in all instances, either due to costs or technical restrictions, to incorporate all requests, including installing heritage style lighting. New lighting is being installed in significant 'dark areas' identified during night surveys, particularly at road junctions.

A plan of the streetlights can be found attached.

COST OF STREETLIGHTING PROJECT

Total cost of planned project: **£24,209 (excl. VAT)**

Cost Breakdown:

£14,705	37 lantern upgrades (incl. replacement of service boxes where necessary)
£1,394	1 new column and lantern at the NE corner of The Pound
£6,946	1 new column and lantern Main Road/High Street Junction inc. lit Give Way sign and trenching
£514	1 new lantern on WPD pole The Pound/High Street Junction
£650	1 new lantern moved on High Street nearer Chapel/Sunday School rooms
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£24,209	

FINANCING THE PROJECT

The Parish Council have been building a reserve from precept over the last three years to pay for approx. 50% of this project. **The reserve this financial year stood at £12,000.**

The Parish Council recently brought forward the installation of the new column and street light at the junction of Main Road/ High Street, as carriageway resurfacing was about to take place and the council did not want to carry out electricity trenching works once the new road surface was laid. The cost of this work was £6,946 (excl. VAT).

The remaining cost of the project will therefore be £17,263 (excl. VAT). With £5,054 remaining in the Parish Council Streetlighting project reserve, **a further £12,209 will be required to finance the project.**

The Parish Council have applied to grant bodies, including HS2 Community & Environment Funds and SNC Community Funding for grants to cover the streetlighting cost. However, both applications were unsuccessful.

The options now would be to continue saving up a reserve from precept over another 3 years or to apply for a low-cost loan.

If the streetlight project were to be delayed for 3 or more years, the poor reliability of the existing lighting stock will mean the Parish Council will need to increase streetlighting budgets for maintenance and it is probable that new LED lanterns would need to be purchased on an ad hoc basis, when faults occur on old stock lanterns which can no longer be repaired. Also, there will be a delay to energy and maintenance cost savings, improved lighting for residents and environmental benefits.

In securing the rest of the finance through a loan, residents and the environment could benefit straight away from the installation of the new lights.

ENERGY AND MAINTENANCE COST SAVINGS

Existing lighting stock - 1 April 2019 – 31 March 2020 energy usage: 8,614 kWh.
2020-2021 energy budget: £2,000 (excl. VAT)

New LED lighting predicted annual usage: 3,062 kWh
2021-2022 estimated energy budget: £630 (excl. VAT)

Estimated annual energy usage cost saving £1,370

Existing stock annual maintenance charges currently £562.04 (excl. VAT) plus repairs or replacement lights, current budget £800.

New LED lighting estimated annual maintenance charges £41 (excl. VAT)

Estimated annual maintenance cost saving £521 - £759

TOTAL streetlighting running cost savings: £2,129

PUBLIC WORKS LOAN BOARD LOAN

A loan would need to cover the required £12,209 plus a small contingency; the Chairman and Vice Chairman would recommend £13,000 should be borrowed to cover contingencies.

Based on a PWB Annuity Loan for £13,000 with repayment over 3 years:

- The cost of the loan would be: £449 (approx.)
- The annual loan repayments would be: £4,483 (approx.)

Based on a PWB Annuity Loan for £13,000 with repayment over 4 years:

- The cost of the loan would be: £577 (approx.)
- The annual loan repayments would be: £3,394 (approx.)

AFFORDABILITY OF PWLB LOAN REPAYMENTS

Please see attached current budget for 2020/21 with revised projected budget for 2021/22 and 2022/23 to include PWLB repayments.

Streetlighting savings estimated at £2,129. However, building in a contingency to cover potential four new lights on the new development and possible electricity price increases, damaged lighting columns/lanterns: post LED installation annual electricity and maintenance charges could be rounded up to £800.

The Parish Council would then see a £2,000 saving on current streetlighting budgets which could be reallocated to PWLB repayments.

In 2020/21 the Parish Council raised £8,000 through precept towards the streetlighting reserve which will no longer be required in the 2021/22 budget. If repayments over 3 years were £4,483 per annum this could be accommodated within the proposed budget without the need to raise the precept to cover loan repayments, by reallocating the streetlight running cost savings and some of the previously reserved funds for the project.

RISK OF NON-REPAYMENT

The small amount of money to be borrowed and raised through precept for annual repayments (in relation to the current Syresham Parish precept), along with the short repayment term means that there is low risk of non-repayment.

However, it would be prudent for the Parish Council to ensure that their general reserves are set higher than usual over the term of the loan to ensure that payments would continue should any unforeseeable issues arise.

Report prepared by:

Mrs S Hosking

Clerk & Responsible Finance Officer

Syresham Parish Council

07/10/2020