

WILLOUGHBY PARISH COUNCIL

STREET LIGHTING - LED UPGRADE

PURPOSE OF REPORT

The purpose of this report is to support the Parish Council in its discussions and ultimate decision as to whether to upgrade the street lighting in the village of Willoughby to LED. The report also considers how the project would be funded and the impact on the Precept.

BACKGROUND

Following a community meeting held in 2022, a Street Lighting Action Group was formed to review the street lighting within the village. The group is made up of volunteers from the village; Councillor Lewis leads the group and acts as liaison to the Parish Council. The Clerk supports the group with financial information and procedural advice.

The group carried out a survey of the street lighting which is summarised as follows:

- Attachments on wooden poles – 12
- Steel poles – 11
- Concrete – 2
- Ornamental steel pole – 1

A definitive list of the street lights was agreed with the maintenance provider. Only one of the 26 street lights has an LED lamp, the remainder having sodium lamps. Sodium lamps are becoming obsolete and will require replacing at some point in the near future. Concrete posts are now obsolete and the remaining posts will be condemned in the near future. One of the wooden poles that is located in a resident's garden has been diagnosed as 'rotten' and needs replacing with a new steel pole on public land; all other posts remain in good condition.

The Street Lighting Action Group established the following benefits of upgrading all street lights to LED:

- Improved Carbon Footprint
- Improved home security due to better quality and more reliable street lighting
- Significant savings on electricity costs
- 'Dark Sky' approved street lights to reduce light pollution
- Improved environment

COMMUNITY ENGAGEMENT

The Parish Council engaged with the community via a survey that was carried out in July 2022. Of the residents who responded, 66% felt that it was important to upgrade the street lights but 40% expressed concern about funding an upgrade.

POTENTIAL SAVINGS

Upgrading to LED would achieve the following savings in the budgets over the next 5 years:

- cost of replacing the concrete lamp posts is included in the quote so will not be included in the budgets going forward - £2,700
- general maintenance - £2,300 (maintenance on an entirely new stock of street lights would be minimal)
- electricity - £7,820 for 5 years or £1,564 per annum

TOTAL SAVINGS OVER 5 YEARS are estimated to be £12,820 (£2,564 per annum)

Total savings over the following 5 years would be electricity of £7,820 and maintenance of £2,300, totalling £10,120 (£2,024 per annum).

Quotes have been obtained from three contractors; the lowest of these quotes stands at £19,675 + VAT and three positive references have been received from other Parish Councils about this supplier.

The potential savings on the replacement of the concrete posts and general maintenance of the ageing stock is £5,000. This saving could be put towards the cost of the upgrade. Based on the aforementioned information the Parish Council has two options for funding the upgrade:

	Total cost	Paid from Parish Council Reserves	Loan	Repayable over - years	Interest rate (fixed)	Annual repayment	Annual Capital Repaid	Annual Interest Repaid
Public Works Loan Board	£19,675	£4,675	£15,000	10	5.37	£1887.58	£1,500.00	£387.58
Public Works Loan Board	£19,675	£0	£19,675	15	5.47	£1906.60	£1,311.67	£594.93

IMPACT ON RESERVES AND THE PRECEPT

The Reserves Policy states that a minimum of 12 months operational costs less regular income (other than the Precept) should be held in the General Reserve being c£16,000. Reserves as at 31st March 2024 are predicted to be £14,631. Should £4,675 be put towards the upgrade and a loan taken out, the reserves will reduce to approximately £9,956.

Given the increased amount of interest that would be payable on a 15-year loan, this option has been discounted as not being the best use of public funds. Budgets for the three years to 31st March 2027 have been drawn up on the basis of £4,675 being paid out of reserves with a loan for the remaining balance of £15,000. For the purposes of the budget projections, a 5% increase in the Precept has been included but it should be recognised that this is only an estimate and the Precept will need to increase to meet ongoing increasing costs.

It should be noted that it is anticipated that any increase in the Precept will be to cover normal inflationary costs and costs unrelated to street lighting, e.g. church clock maintenance. It is predicted that the annual savings in electricity and maintenance of the old-style street lights will fund the loan repayments.

The following is an indication of the impact of a 5% increase in the Precept on a Band D property:

- additional 36p per month, compared to an additional 35p in 2023/24.
- total increase on a Band D property per annum would be £4.35 per annum.

The following should also be noted:

- In the event of the street lighting not being upgraded, the Precept would continue to increase each year in order to pay the increased electricity and maintenance costs, replace the concrete posts and to build reserves
- The year-on-year impact of upgrading the street lighting, being the difference between the savings and the loan repayments, would be a surplus of about £676 per annum in the first 5 years and about £136 per annum in the following 5 years. These savings will be put towards rebuilding the reserves used to pay the deposit. Once the loan has been repaid the savings will exceed £2,000 per annum.
- Once the loan is repaid, it is anticipated that the Precept could decrease or other capital projects that would benefit the village could be pursued.

RECOMMENDATIONS

The following recommendations are being made to the Parish Council:

1. All street lights be upgraded to LED and the two concrete posts be replaced
2. Approval to pay £4,675 out of reserves
3. A loan of £15,000 be obtained from the Public Works Loan Board repayable over 10 years
4. The quote for £19,675 + VAT be accepted

SUMMARY

The upgrading of the street lights will be self-funding over the full 10 years of the loan and will not cause the Precept to increase other than to keep in line with general inflation.

NEXT STEPS

1. Make a request for the installation of a sample Urbis Schreder 13.1 W that is 50% dimmable between midnight and 6.00am as soon as possible, to enable final agreement that the installation is fit for purpose.
2. Consult with residents via Willoughby Monthly confirming that there will be no increase in the Precept related to the upgrade. It would also be highlighted that the consideration of the proposal will be held at the November meeting. Any future increase in the Precept would be to cover normal inflationary costs.
3. Formally approve the upgrade of the street lights and the related borrowing at the November meeting.
4. Application form to be submitted to WALC to enable us to apply for the borrowing.
5. Submit the loan application to the Public Works Loan Board.

Joanne Jarman
Clerk and RFO
November 2023