



13 November 2024

Title	Streetlighting Maintenance Contract 2-Year Extension
Purpose of the report	To note the report for information
Report status	Public report
Report author	Sam Shean
Lead Councillor	Councillor Karen Rowland, Lead Councillor for Environmental Services & Community Safety
Corporate priority	Healthy Environment
Recommendations	<ol style="list-style-type: none"> 1. That the Committee grant approval to extend the existing Framework Contract with Peterborough Council for a further 2-year period for the Maintenance of Reading's Streetlighting assets effective 1st January 2025 until 31st December 2026. 2. That the Committee grant approval to extend the existing short-term (up to 2-years) contract with Peterborough Council's term maintenance contractor, in accordance with the Council's Procurement Rules & Public Contracts Regulations 2015. 3. That the Committee grants delegated authority to the Executive Director for Economic Growth & Neighbourhood Services in consultation with the Lead Councillor for Climate Strategy & Transport, the Assistant Director of Legal & Democratic Services and the Director of Finance to enter into relevant contracts required to extend the Streetlighting Maintenance Service contract, as per section 3 of this report.

1. Executive Summary

- 1.1 To update the Committee on the progress of the Council's Streetlighting Maintenance programme using the Peterborough Council Framework Contract, as approved at Housing Neighbourhoods & Leisure Committee on 7th July 2022.
- 1.2 That the Committee provide delegated authority to extend the interim contract with Peterborough Council's term maintenance contractor.

2. Policy Context

- 2.1. The Council's approved Corporate Plan sets out the Council's priorities for Reading and provides direction for staff in delivering services to meet the needs of the communities within the Borough whilst working to a budget and Medium -Term Financial Strategy (MTFS).
- 2.2. To secure the most effective use of resources in the delivery of high quality, best value public service.
- 2.3. To make travel more secure, safe and comfortable for all users of the public highway.

- 2.4. To provide a public highway network as safe as reasonably practical having due regard to financial constraints and statutory duties.

3. The Proposal

- 3.1. The Council's Medium Term Financial Strategy is informed by and supports delivery of the Council's Corporate Plan priorities including its commitment to address the climate change emergency and seeks to ensure that the Council is "fit for the future", with sound finances that allow the Council's future funding challenges and spending pressures to be met in as sustainable a way as possible.
- 3.2. Reading Borough Council aim to provide a streetlighting maintenance service to illuminate the public highway to provide a well-lit environment, reduce the fear of crime and support a sustainable highway network. The Council aim to provide travelling conditions as safe as reasonably practicable having regard to the road hierarchy, 'Well-managed Highway Infrastructure – Code of Practice' October 2016, as well as the Highways Act 1980 Section 41.
- 3.3. The streetlighting maintenance service is provided by the Council all year round.
- 3.4. Reading Borough Council is permitted to access the Peterborough Council Framework contract which runs to end of March 2028. This framework enables Reading to access their term maintenance contractor currently being provided by Milestone Infrastructure Limited.
- 3.5. The Council has successfully maintained its streetlighting assets over the last 2-year period using Milestone Infrastructure Limited, via the Peterborough Council Framework Contract which runs to 2028.
- 3.6. Milestone Infrastructure Limited have supported the Council with updating our streetlighting asset inventory and responded to lighting maintenance requirements which meet our statutory obligation to maintain our existing lighting assets on the public highway. The current contract rates will apply to the extended contract and remain in place until the annual inflation indexation on 1st April each year.

Options:

- 3.7. Option 1: To continue using the Peterborough Framework Contract for a further 2-year period, providing time to prepare a full open tender for the maintenance of the Council's streetlighting assets. **Recommended.**
- 3.8. Option 2: Join an alternate Framework Contract. This was discounted due to the high access fee costs payable, as well as increased rates to use their contractor.
- 3.9. Option 3: To go out to tender without having an interim contractor in place to deal with emergencies. This was discounted due to the risk to the Council in meeting our statutory obligation.

Procurement

- 3.10. The total estimated value of the interim framework contract is approximately £550k revenue for 2024/25 and approx. £ 563k revenue for 2025/26, with Local Transport Plan (LTP) capital of approximately £700k funding replacement of life expired assets over the 2-year period (24 months).
- 3.11. The Council will be required to tender and award the Streetlighting Maintenance Service Term Contract within the next 2-years following the interim contract arrangements. A report will be brought back to Committee to provide an update on the Streetlighting Maintenance Term Contract progress when it goes out to tender within the next 2-years.

- 3.12. In accordance with the Public Procurement Rules the Council will publish the Streetlighting Maintenance Term Contract on the Find a Tender service which replaces the Official Journal of European Union (OJEU) contract notice portal and in accordance with the Council's Contract Procedure Rules, will be advertised on the Council's electronic tendering portal, as well as via 'Contracts Finder'.

4. Contribution to Strategic Aims

4.1. Reading Borough Council's vision is:

4.2. To help Reading realise its potential – and to ensure that everyone who lives and works here can share the benefits of its success.

4.3. The Council's Corporate Plan has established three themes for the years 2022/25. These themes are:

- Healthy Environment
- Thriving Communities
- Inclusive Economy

4.4. These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:

- People first
- Digital transformation
- Building self-reliance
- Getting the best value
- Collaborating with others

4.5. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

4.6. The delivery of the Highway Streetlighting Maintenance programme will meet the Council's stated aims by providing:

- A safe, secure and affordable public highway streetlighting network for all residents and users of the public highway.
- Improve the condition of highway streetlighting assets which will support journeys, which in turn will support economic growth in Reading and the wider region.
- Support the Council's carbon reduction pledge by reducing waste, using recycled materials, using lower carbon products, reducing energy consumption with lower energy assets, also by moving to electric plant, tools and vehicles.
- Delivering the Social Value requirements set out in the tendered contracts to promote local employment and opportunity for residents of Reading.

5. Environmental and Climate Implications

The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).

5.1. The current streetlighting provider will be required to provide social value opportunities for the Council to ensure that the most deprived Wards in Reading benefit.

5.2. The current streetlighting contractor is required to provide Carbon reduction and improved sustainability measures for Reading. The intent is to reduce the amount of carbon used

to produce the materials at source, using recycled materials, lower temperature materials, lower energy (LED) lanterns, reducing the uncontrolled waste in the environment to reduce pollution of the natural environment, use of electric vehicles and plant, use of cold applied materials with lower carbon emission, as well as how they will achieve their own carbon reduction targets.

6. Community Engagement and Information

- 6.1. The public can report highway defects to the Council via the Council's Web Page [Report a road or street problem - Reading Borough Council](#), the 'Love Clean Reading App', or by email Highways@reading.gov.uk. These include drains, streetlights, road and structures condition concerns, which are assessed and included within the annual review of the highway assets that inform the 'Annual Status Option Reports' (ASOR) with the proposed high priority schemes brought to Committee for consideration and approval should they meet the assessment criteria.

7. Equality Impact Assessment

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 7.2. The Highway Streetlighting Maintenance programmes consists of improvement work to the Council's existing public highway streetlighting network and will be making improvements to existing lighting assets. There is no overall change to service delivery at this time and all users will have a safe public highway. Should any future updates/amendments be required, which result in service delivery changes, an equality impact assessment will be carried out.

8. Other Relevant Considerations

- 8.1. None

9. Legal Implications

- 9.1. The Borough Council, as Highway Authority, has a duty under the Highways Act 1980 to ensure, so far as is reasonably practicable, the safe passage along a highway.

10. Financial Implications

- 10.1. The Highway Streetlighting Maintenance programme 2025/2026 to 2026/2027 will be fully funded by the following:

- The Local Transport Block Funding (Integrated Transport & Highway Maintenance) settlement for 2025/2026 & 2026/2027).
- The Council's annual Streetlighting Maintenance Revenue Budgets.

11. Timetable for Implementation

- 11.1. The Peterborough contract is due to expire at the end of 2024. Peterborough Council have agreed to allow a further 2-year extension based on the current contract terms and conditions with a commencement date of 1st January 2025.
- 11.2. Delivery of the maintenance programme will commence in January 2025 and will run to the end of December 2026.
- 11.3. The Council will be able to terminate the arrangement with Peterborough should our own term Streetlighting Maintenance Contract be awarded before the end of the 2-year period, as per the terms of the Framework.

12. Background Papers

- 12.1. There are none.

FINANCIAL IMPLICATIONS

The financial implications arising from the proposals set out in this report are set out below: -

1. Revenue Implications

Use this Table in the report or as an Appendix to set out the revenue implications:

	2024/25 £000	2025/26 £000	2026/27 £000
Employee costs (see note1)			
Other running costs	550	563	578
Capital financings costs			
Expenditure	550	563	578
Income from:			
Fees and charges (see note2)	0	0	0
Grant funding (specify)			
Other income			
Total Income	0	0	0
Net Cost(+)/saving (-)	550	563	578

The net cost of the proposal can be funded from existing Revenue Highways & Traffic Services Budgets and capitalisation.

2. Capital Implications

Capital Programme reference from budget book: page line	2024/25 £000	2025/26 £000	2026/27 £000
Proposed Capital Expenditure	350	350	250
Funded by			
Grant (specify) DfT LTP Award (full amount received £1,838)	350	350	250
Grant DfT Additional Road Resurfacing Fund Section 106 (specify)			
Other services (National Highways Grant)			

Capital Receipts/Borrowing			
Total Funding (Required for Streetlighting)	350	350	250

Note: where more than one option /proposal is being made it may be easier to set out the above information in an Appendix.

3. Value for Money (VFM)

This is a statutory service provision.

The existing contract has shown to be competitive. Tenders will be advertised in accordance with Public Contract Regulations 2015 and included a 60/40 split between tender quality and price. The size of the capital programmes will ensure that competitive tenders are received. Ambitious carbon reduction and sustainability targets will be incorporated with the tender evaluation.

4. Risk Assessment.

The Council has a duty under the Highways Act 1980 to maintain the public highway, including streetlighting. The maintenance and streetlighting investment programme will reduce the risk to the Council and the public for decades to come. The on-going maintenance costs will be absorbed within existing revenue budgets for highway maintenance. Method statements agreed with the existing contractor will continue to ensure delivery during the current financial position and climate changes challenges (flood / heat / drought), as well as ensuring that disruption is minimised. Supply chain for products risk mitigated by the contractor buying large volumes & stockpiling materials based on the size of the capital programme.

Increasing fuel and energy costs is and will remain a risk pressure, which will need to be managed throughout the programme.