

## HAMPSHIRE COUNTY COUNCIL

### Executive Decision Record

<b>Decision Maker:</b>	Executive Lead Member for Economy, Transport and Environment
<b>Date:</b>	10 March 2022
<b>Title:</b>	T21 Street Lighting Project
<b>Report From:</b>	Director of Economy, Transport and Environment

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#### 1. The decision:

- 1.1. That the Executive Lead Member for Economy, Transport and Environment approves increasing the dimming on residential and principal roads, as set out in the supporting report, to achieve the remaining Transformation to 2021 (T21) saving from April 2022, with the previously approved savings identified from replacing high-power lamps with more energy efficient LEDs progressed subject to reaching an acceptable agreement with the Private Finance Initiative (PFI) Service Provider.
- 1.2. That the Executive Lead Member for Economy, Transport and Environment delegates authority to implement the proposals, including making minor variations, to the Director of Economy, Transport and Environment.
- 1.3. That the Executive Lead Member for Economy, Transport and Environment delegates authority to the Director of Economy, Transport and Environment, in consultation with the Executive Lead Member for Economy, Transport and Environment, to vary the dimming on all roads in Hampshire where specific circumstances arise requiring increased lighting levels.
- 1.4. That the Executive Lead Member for Economy, Transport and Environment delegates authority to the Director of Economy, Transport and Environment, in consultation with the Executive Lead Member for Economy, Transport and Environment, to terminate negotiations to vary the street lighting PFI Project Agreement in the event that it is not possible to reach an acceptable agreement in a timely way.

#### 2. Reasons for the decision:

- 2.1. In March 2020, the Executive Member for Economy, Transport and Environment approved a proposal to vary the street lighting Private Finance Initiative (PFI) to enable approximately 12,000 high-power lamps to be replaced with more energy efficient LEDs, subject to the technical agreement

of the variation to the Street Lighting PFI, at a cost of £3.2million to be funded from the departmental Cost of Change reserve.

- 2.2. Since this time, negotiations have progressed in accordance with the High Value Change protocol within the Project Agreement, but it has not yet been possible to reach an acceptable agreement with the Service Provider. The delay in reaching agreement means that it is increasingly unlikely that the original savings plan can be realised in a timely way and revised proposals to deliver the Transformation to 2021 savings are now required to minimise the need for further financial support to cashflow the savings.
- 2.3. A decision will be needed to reject the proposal if an acceptable agreement cannot be reached in a timely way. Delegating decision making to the Director of Economy, Transport and Environment in consultation with the Executive Lead Member for Economy, Transport and Environment, will facilitate the necessary agile negotiations to conclude this process.
- 2.4. The delay in progressing the necessary changes to the PFI Project Agreement means that this savings proposal needs now to be considered in the context of the emerging Savings Programme 2023 (SP23) programme.

### **3. Other options considered and rejected:**

- 3.1. It would be possible to continue negotiations without putting in place alternative savings proposals. This option is rejected as it is not certain agreement can be reached or how long achieving agreement could take, meaning the full financial implications cannot be accurately assessed. Putting in place alternative saving proposals from April 2022 will prevent extended negotiations drawing funding away from other activities.
- 3.2. It would be possible to terminate the High Value change process. This option is rejected at this time as there may be scope to reach agreement that would enable the LED proposal to be implemented, albeit delayed. Terminating the High Value Change process may be the recommended outcome if the negotiations cannot be concluded in a timely way.
- 3.3. It would be possible to scale back the authority's ambition for investing in low energy LEDs to reduce energy and carbon emissions. This option is rejected as it may be possible to reach a satisfactory agreement in due course that would enable LEDs to be installed at scale in the future.

### **4. Conflicts of interest:**

- 4.1. Conflicts of interest declared by the decision-maker:
- 4.2. Conflicts of interest declared by other Executive Members consulted:

### **5. Dispensation granted by the Conduct Advisory Panel: none.**

### **6. Reason(s) for the matter being dealt with if urgent: not applicable.**

**7. Statement from the Decision Maker:**

**Approved by:**

**Date:**

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**10 March 2022**

**Executive Lead Member for Economy, Transport and  
Environment  
Councillor Rob Humby**