

## **Renewal of Street Lighting Maintenance Contract**

Freshford Parish Council's street lighting maintenance contract ceased on 31 March 2020. SSE has proposed a new contract from 1 April 2020 to 31 March 2023 which has some differences to the previous contract, including a significant price rise (details below).

Other local parish councils in BaNES will no longer be served by SSE and they are working together to see if they can arrange a new contract with Volker Highways who now service BaNES.

Freshford Parish Council must agree whether to:

- Renew the contract with SSE Maintenance from 1 April 2020 to 31 March 2023; or
- Join the group of local councils pursuing a contract from Volker Highways.

## **SSE Street Lighting Maintenance Contract: Summary and explanation of changes**

Explanations in italics provided by David Page, New Business Manager at SSE.

	<b>2019-20</b>	<b>2020-23</b>
Annual cost (exc VAT)	£803.08	£1134
Length of contract	1 year	3 years
Regular maintenance	Undertaken every year	Undertaken once in 3 year contract (in 21-22)

Cost increase: £330.92, equivalent to a 41% increase in costs/year.

### **Explanation of cost increase:**

*Your lighting has been maintained under a unique agreement and also underfunded for several years and as such we have absorbed the losses which we are no longer able to do. The rates now being used are the same those used for our other parish councils and therefore all clients are being charged the same rates.*

### **Explanation of why there is a reduction in regular maintenance:**

*There will be a reduction in the number of visits from 3 to 1 over the 3 year period to carry out routine maintenance. Our standard maintenance contracts are costed out so the maintenance visit which happens once in the three year period is spread across the three years. If attendance is required annually this will increase the contract value significantly.*

*For comparison I have looked at costs to attend annually:*

- *One visit in 3 year period (in 2021/2022 including non LED lanterns lamp changed): 2020/2021 charge £1134.00 +VAT*
- *Annual visit (including non LED lanterns lamp changed in 2021/2022): 2020/2021 charge £1658.94 +VAT*

### **Will there be any other costs during the 3 year contract period from SSE?**

*Replacement costs of lighting columns / wall or pole mounted lights will depend on what you require and the quantity in one visit plus the cost to carry out the disconnection and reconnection of the unmetered supplies where necessary. Obviously the ornate columns used in Church Hill will be more expensive than the standard lighting column similar to that installed at the School. I can only advise costs as and when you are able to advise exactly what you need.*

*Attendance to failures (other than lamps covered by the contract) are chargeable at the hourly rate plus materials. Material rates fluctuate through the year and will be charged at the rates in force at the time.*

Note: The annual cost will be subject to an annual adjustment based on the NEDO (National Economic Development Office) indices published in September of the previous contract year.

*As a guide previous adjustments have been as follows:*

*April 2019*

*Labour (hourly rates, maintenance of LED lanterns) +3.16%*

*Materials only +3.6%*

*Combined labour & materials (maintenance of non-LED lanterns) +3.42%*

*April 2020*

*Labour (hourly rates, maintenance of LED lanterns) +3.91%*

*Materials only +1.48%*

*Combined labour & materials (maintenance of non-LED lanterns) +2.45%*

### **Volker Highways: Summary of information about a possible Parish Councils group contract**

This information is drawn up from emails received from local BaNES parish councils about their electricity supply. The group is being coordinated by the Clerk of South Stoke Parish Council.

In March 2020 a number of local parishes in BaNES received termination of contract letters as SSE stated they would no longer have a presence in these areas. David Page has confirmed that SSE is still offering a service in this area as Freshford is served by the Swindon depo.

To note: BaNES have re-tendered their Street Lighting contract and awarded the new contract to Volker Highways. It was previously with SSE.

February 2020: The Clerk at South Stoke PC sent the following details:

*“Stephen Burrell and Kelvin Packer (BaNES Highways) set out what they considered to be the three options available to all Parishes.*

- 1. Each Parish separately tenders for Lighting Maintenance, entirely independently.*
- 2. All Parishes combine to form a single consortium, and tender as a collective.*
- 3. All Parishes combine to form a single consortium, and B&NES Highways ask Volker to take this collective on as an addition to the B&NES contract.*

*Option 1 is considered workable only for those parishes with a large number of lights, as most Contractors would not be interested in a Parish such as mine with only 8 lights, and would not be interested in engaging in 23 separate contract negotiations.*

*Option 2 is certainly feasible, as potential contractors would have much more interest in a large collection of lights. It will take quite some organisation amongst ourselves.*

*Option 3 Stephen Burrell and Kelvin Packer said they thought that Volker would be interested in such an arrangement and were prepared to assist in achieving this.*

*The view amongst those present was that Option 3 was very much the best and preferred option.*

*There are other options. Stephen Burrell told us there was no legal requirement to light the streets. You could therefore choose to turn off some or all of your street lights. Likewise, you could choose not to maintain them, not repairing them when they fail. Both these options would I think, require some explanation and agreement with your electors. However, they do indicate that you should not worry unduly about not having maintenance agreed by 1<sup>st</sup> April, as this may well take rather longer than a couple of months.”*

April/May 2020:

The Clerk at South Stoke has been pursuing option 3 - progressing a Maintenance Contract to cover a group of PCs but notes that in the present circumstances this will take some time. In the meantime Volker have agreed to provide any emergency maintenance cover on a Time and Materials basis.

The following is from Matt Lovell, Volker Contracts Manager:

*Please see attached Temporary rates for works in the Parishes of BaNES. These rates are provided in good faith, but we reserve the right to change or withdraw our offer at any time and without notice.*

*We have provided rates in accordance with the contract we have in place with BaNES.*

*If you could forward any works or purchase orders to Daniel Connett*

*[Daniel.Connett@volkerhighways.co.uk](mailto:Daniel.Connett@volkerhighways.co.uk) who is the contract agent for BaNES.*

*Once our administrator is set up I will forward there details to you as they will become point of contact.*