
Report To: Environment and Regeneration Committee

Date: 30 August 2012

**Report By: Corporate Director Environment,
Regeneration and Resources**

Report No: SSC/ENV/IM/12.132

Contact Officer: Robert Graham

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Subject: Extension to Lighting Maintenance Contract (LMC)

1.0 PURPOSE

- 1.1 The purpose of this report is to advise Committee of the intention to extend the existing Lighting Maintenance Contract up to 31 December 2013 while future options including shared service arrangements are considered.

2.0 SUMMARY

- 2.1 Inverclyde Council entered in to a shared services contract with North Ayrshire and South Ayrshire (NSI) which commenced on 1st January 2011 and is due to end on 31st December 2012. An option exists to extend by up to a year.
- 2.2 The Ayrshire Councils have indicated that they may move towards an 'All Ayrshire Service' delivery starting in March 2013 which would not include Inverclyde. The service may be taken in-house, using the Ayrshire Councils' employees and resources to manage the contract.
- 2.3 An options appraisal should be carried out to determine the future delivery of a Roads Lighting Maintenance Service using best value as a bedrock in its assessment of these options.

3.0 RECOMMENDATIONS

- 3.1 That Committee note the intention to extend the existing Lighting Maintenance Contract up to 31 December 2013 while future options including shared service arrangements are considered.

Ian Moffat
Head of Environmental and Commercial Services

4.0 BACKGROUND

- 4.1 Inverclyde Council entered into a shared service (North Ayrshire, South Ayrshire and Inverclyde) contract with Lightways (Contractors) Ltd for road lighting maintenance on 1st January 2011. The value of Inverclyde Council's part of the contract is approximately £340,000 per annum.
- 4.2 The contract was for a period of two years with an option to extend for up to a further year. The option to extend the contract has not been exercised.
- 4.3 It will be necessary to ensure that TUPE regulations are complied with and that the Council does not acquire unnecessary obligations in respect of the employees currently carrying out the work.

5.0 PROPOSALS

- 5.1 The existing contract allows for extensions in tranches of 3 months and it is proposed that the option to extend the existing LMC is exercised up to 31 December 2013.
- 5.2 As stated in 2.2 above it is likely that North, South and East Ayrshire Councils will move towards developing a shared services arrangement which will include Road Lighting Maintenance Services.
- 5.3 The timescale for this is unknown at this time and therefore it is essential and prudent that Inverclyde Council carries out an appraisal of the options available to them within the short to medium term to continue to provide Road Lighting Maintenance Services.
- 5.4 Discussions have been ongoing with East Renfrewshire Council and Renfrewshire Council in terms of shared services arrangements and this option will be explored as part of the options appraisal. However it should be noted that the existing contract arrangements in relation to timescales within both of these authorities does not dovetail with the timescales that exist within the Council's existing contract arrangements.
- 5.5 For this reason it is proposed that the Head of Legal and Democratic Services in consultation with the Head of Environmental and Commercial Services is given the latitude to extend the existing contract with Lightways (Contractors) Ltd for up to 12 months beyond 31 December 2012, as stated in 5.1 above, to give the opportunity to align these services, if appropriate, with the above Councils.
- 5.6 Other options that will be explored will include, but not be limited to, a stand alone maintenance contract, in-house provision, other local authority partnerships, the use of existing national framework contracts or a combined maintenance, energy, capital investment contract.

6.0 CONCLUSION

- 6.1 In the circumstances as detailed above it would therefore be prudent to invoke the existing contract extension up to 31 December 2013.
- 6.2 An options appraisal will be prepared for the future provision of Roads Lighting Maintenance including continuing dialogue with councils to prepare a shared service contract for commencement at a suitable time.

7.0 IMPLICATIONS

- 7.1 Failure to provide ongoing road lighting maintenance would be contrary to legislation, impact on community safety and expose Inverclyde Council to liability claims.
- 7.2 Inverclyde Council's road lighting maintenance requirements alone may not present a sufficiently attractive commercial proposition to external contractors.
- 7.3 Opportunities for partnering with neighbouring councils may be limited due to timescale and

existing contract arrangements.

8.0 CONSULTATION

8.1 Finance Services have been consulted on this report.

Cost Centre	Budget Heading	Proposed Spend this report	Virement from	Other comments
	Revenue Funding	£326,000 pa	N/A	

8.2 Legal Services have been consulted on this report.

9.0 EQUALITY

9.1 This report has no impact on the Council's Equality Agenda.