

## EAST AYRSHIRE COUNCIL

### DEVELOPMENT SERVICES COMMITTEE – 20 MAY 2003

#### REPORT ON THE SUPPLY OF UN-METERED ELECTRICITY FOR STREET LIGHTING AND OTHER STREET FURNITURE

##### Report by Director of Development Services

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to advise the Committee of the outcome of the retender of the contract for the supply of un-metered electricity for street lighting and other street furniture.

### 2. BACKGROUND

- 2.1 East Ayrshire Council previously had a contract with Scottish Power PLC for the supply of un-metered electricity for street lighting and other street furniture.
- 2.2 The contract was arranged by the Authorities Buying Consortium (abc) and terminated on 31 March 2003.

### 3. NEW CONTRACT

- 3.1 At the meeting of the abc Joint Committee of 7 March 2003, the Committee approved the award of the contract for electricity for street and stair lighting for abc member councils.
- 3.2 The contract which runs from 1 April 2003 until 31 March 2005, with options to extend until 31 March 2007 was awarded to Scottish and Southern Energy. A two year contract period is considered to strike a balance between flexibility to take account of changes in prices available in the market and advantages of offering a longer term contract.
- 3.3 The new contract cost for East Ayrshire Council will be £319,906 an annual saving of £54,474, although against this must be set increased costs arising from improved street lighting installations and an increase in the number of streetlights as a result of development.
- 3.4 In addition to this saving, the new contract will see a rise in “green” electricity used in street and stair lighting from the current 10% to 20%, rising to 25% in 2004/05 (“green” electricity is energy from a renewable source, eg wind power). As a result the Council along with other members of abc will be the highest users of renewable energy across all sectors in

the UK and the 4<sup>th</sup> highest in Europe. It may be possible to increase the proportion of renewable energy even further in future contract periods.

- 3.5** Councils will pay no premium for “green” electricity and will be exempt from paying the Climate Change Levy, on this element of their energy consumption.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1** Cost can be met from current revenue budget.

#### **5. LEGAL & POLICY IMPLICATIONS**

- 5.1** Nil.

#### **6. RECOMMENDATIONS**

- 6.1** The Committee is asked to note:-
- a) The successful tenderer for the supply of un-metered electricity for street lighting and other street furniture through the Authorities Buying Consortium.
  - b) The annual savings achieved and the benefits from the rise in “green” electricity, being achieved.

**Stephen Chorley**  
**Director of Development Services**

JTK/YK  
12 May 2003

#### **LIST OF BACKGROUND PAPERS**

**Nil**

For further information please contact Jim Kane on 01563 576310

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