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State of the Market Survey 2012

Street Lighting

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Street Lighting

State of the Market 2012

Introduction

APSE conducted an on-line survey during early Summer 2012. A series of questions were asked covering a range of issues of interest to those officers and councillors responsible for highways issues in general and street lighting specifically. 45 responses were received from local authorities throughout the UK. This report identifies the key findings of the survey.

This is the fourth year APSE has undertaken a state of the market survey for highways, street lighting and winter maintenance so a comparison over time is available and this comparison will be highlighted where appropriate. It must be noted that the councils and individuals responding may not be the same from year to year. In previous years there has been a combined survey for highways, street lighting and winter maintenance whereas this year they were sent out separately and so will be reported separately.

44responses were received to the highways survey and a further 20 to the winter maintenance survey making a total of 109 responses to all 3 surveys.

The surveys are an attempt to understand perceptions of the market amongst people directly involved in delivering services rather than a survey of the same individuals from year to year.

Context

Reducing the amount of energy used remains one of the most important issues for those managing street lighting services. As the cost of electricity has risen and budgetary restrictions are tightened so the pressure to reduce costs has grown. Targets to reduce carbon emissions are also on the minds of managers. Trimming, dimming and switch off have been the implemented by a number of councils but there is no firm proof that these approaches have resulted in the kind of outcomes expected. Some councils are investing in central management systems and switching gear enabling much more specific management of the network as others replace large numbers of columns and lamps but these are expensive options and are the exception rather than the rule.

Addressing the fear of crime is one argument made for the provision of a street lighting service, alongside the need to provide light for drivers, and this is likely to remain. Publicity over the number of police officers on the beat and the growing number of elderly people as a proportion of the population mean that pressure for an effective street lighting service will remain.

The provision of street lighting services remain one of the most basic council services providing light for vehicular and pedestrian traffic, helping to reduce the fear of crime and the incidence of actual crime as well as providing aesthetic quality to many public places. The soaring cost of electricity, cuts to local government budgets and developments in lighting equipment and systems have all had an impact upon the way this service has been delivered in recent years. The approach taken will clearly be dependent upon access to funds and the levels of historic investment in the stock.

Note

The tables below show figures for 3 or 4 years but the questions were asked of the street lighting service only in this year's survey whereas in previous years questions had been asked of the highways, street lighting and winter maintenance services combined. Therefore the tabular data is not a true comparison. It does however provide contextual information for the street lighting service.

Results from the survey

1) How has the budget for the street lighting service changed over the past 12 months?

Of the 41 who responded to this question 12 said that the budget had increased, 19 had remained the same whilst the budget had decreased in 10 councils.

Where an increase was experienced, a number of respondents noted that these increases were made to cover the contractual arrangements in place as part of a PFI and so were made to match the cost delivery profile of the contract. Others mentioned that the increase was an inflation only increase whilst others noted that there had been an increase in capital budgets with a reduction in revenue budgets.

Those that have experienced a decrease noted that low energy white lights had led to savings, a reduction in the council client staff operating the PFI contract whilst another noted significant a decrease in the budget of 19%.

2) How do you expect the budget for the street lighting service to change when allocated in 2013-14?

Answer Options	2012 Number (%)	2011 Number (%)	2010 Number (%)	2009 Number (%)	% change 2009-2012
Increase	13 (31.7%)	4 (8.3%)	4 (4.9%)	12 (16.7%)	+15
Stay the same	17 (41.5%)	20 (41.6%)	37 (45.7%)	41 (56.9%)	-15.4
Decrease	11 (26.8%)	24 (50%)	40 (49.4%)	19 (26.4%)	+0.4
Total	41	48	81	72	

A greater number and proportion of councils expect the budget to increase when allocated in 2013-14 than at any point in the previous years of this survey. This shows a proportional increase on previous years and equates to just less than a third of all responses received. This may seem surprising considering the publicity surrounding reductions in budgets across many council service areas but the reasons given reflect obvious cost increases. The point made by 4 respondees was that costs, and so budgets, will increase to meet PFI contract arrangements. Another reason stated was that energy price increases will need to be met by increases in the budget whilst another was that stock condition surveys pointed towards an expected increase in asset management costs and so an increase in budgets was expected.

On evidence from this survey, there has not been the scale of reduction in budgets which other services have seen.

3) Some councils have had historic problems maintaining their assets due to restricted budgets. To what extent will your 2012/13 budget for street lighting meet the need to maintain your assets and/or provide replacements where necessary?

Answer Options	2012 Number (%)
Budget for 2012-13 will cover 100% of maintenance/investment needs	12 (29.3%)
Budget for 2012-13 will cover 75% -100% of maintenance/investment needs	8 (19.5%)
Budget for 2012-13 will cover 50% - 75% of maintenance/investment needs	9(22%)
Budget for 2012-13 will cover 25% - 50% of maintenance/investment needs	6 (14.6%)
Budget for 2012-13 will cover 0% - 25% of maintenance/investment needs	6 (14.6%)
Total	41

Those councils were a PFI is in operation will of course have to allocate the budget to meet the agreed fees for the contract which means this question is not especially relevant for then. The majority of those respondees where the budget will meet 100% of needs are PFI contracts but a look at the other responses show that less than 15% of councils feel they will have adequate funding for their needs.

Clearly planning for future spending is made in the context of reducing overall budgets so it is unlikely that managers will put forward investment or maintenance schemes which will not be met from budgets. As such this question reflects changes within budgets made during the annual planning process. However assets need to be maintained to avoid future problems and, as with other local authority assets, such an approach may be storing up future problems.

4) How are your services currently delivered?

Answer Options	2012 Number (%)	2011 Number (%)	2010 Number (%)	2009 Number (%)	Change 2009-12
In-house - combined service	14 (34.1%)	34 (82.9%)	35 72.9 %)	26 (-61.9%)	-27.8%
In –house – client /contractor split	10 (24.4%)	3 (7.3%)	8 (16.7%)	11 (26.2%)	-1.8%
Externally provided	15 (36.6%)	3 (7.3%)	4 (8.3%)	4 (9.5%)	+27.1%
Arms length organisation	1 (2.4%)	1 (2.4%)	0	0	+2.4%
Joint venture company	1 (2.4%)	0 (0%)	1 (2.1%)	1 (2.4%)	0
Total	41	41	48	42	

The majority of responses were received from councils where the service is delivered in house with more of these being combined services. As a % of responses overall, this sample shows a move towards delivery by external providers/JVCs with the majority of these contracts commencing over the last 12 months.

5) Do you expect the service to remain in-house over the next 12 months?

Of the 25 who responded to this question, only 3 thought there may be a chance that the service will consider outsourcing the service in the near future.

6) What has happened to your training budget over the past 12 months?

24 of 38 councils have seen their training budgets remain the same over the past 12 months whilst 2 have seen an increase. The remaining 12 councils, or nearly a third of all who responded, have seen training budgets decrease over the period. One council has seen its training budget centralised but are actually getting more training from it whilst another noted that getting permission to attend training courses is becoming more difficult.

7) Are you having trouble recruiting or retaining operatives or technical/managerial staff? (over the past 6 months)

Answer Options	2012 Total Number (%)	2011 Total Number (%)	2010 Total Number (%)	2009 Total Number (%)
Yes, trouble recruiting operatives	2 (5%)	11(10.2%)	21(11.1%)	23(13.7%)
Yes, trouble recruiting technical/managerial staff	3 (7.5%)	7 (6.5%)	33 (17.5%)	33 (19.6%)
Yes, trouble retaining operatives	0	7 (6.5%)	12 (6.3%)	7 (4.2%)
Yes, trouble retaining technical/managerial staff	0	4 (3.7%)	10 (5.3%)	13 (7.7%)
Yes, trouble recruiting and retaining operatives	2 (5%)	0 (0%)	12 (6.3%)	8 (4.8%)
Yes, trouble recruiting and retaining tech/managerial staff	1 (2.5%)	2 (1.9%)	13 (6.9%)	22 (13.1%)
No	32 (80%)	77 (71.3%)	88 (46.6%)	62 (36.9%)
Total	40	108 *	189*	168*

*Including highways and winter maintenance staff.

Previous year's figures for this question (as noted in the above table) include highways and winter maintenance responses as well as street lighting.

20 councils are not taking on any staff and these are included in the 'No' category. As such recruitment freezes remain a significant issue and it looks as though this will continue to be the case for the foreseeable future. However there are anomalies – one council took 7 months to find a replacement for someone who left whilst another was having trouble finding electricians to recruit and retain.

8) Do you feel staff absence levels are acceptable?

Answer Options	2012 Total Number (%)	2011 Total Number (%)	% change 2011-12
Yes	30 (73.2%)	38 (67.9%)	+5.3%
No	11 (26.8%)	18 (32.1%)	-5.3%
Total	41	56*	

*Including highways and winter maintenance staff.

Previous year's figures for this question (as noted in the above table) include highways and winter maintenance responses as well as street lighting.

Of all responses 73% felt that absence levels were acceptable whilst 27% thought otherwise. This shows a slight improvement from last year. It would appear that 27% is too high a figure to sustain and there are programmes and approaches in place to tackle this issue. It is to be hoped that the downward trend continues.

Textual responses to the survey show that there are approaches in place to address absence and that some are having an impact. The issue of sickness amongst small numbers of staff and its impact remains a problem for some. Another commented that there are differences between operational and client staff with the former having higher absence rates. The issue of understaffing is also mentioned. Another commented that more than 4 individual absences in any 12 months is resulting in staff being put into capability processes.

9) Do you run an apprenticeship scheme?

Apprenticeships schemes are only offered by 14, or 35%, of the 40 councils who responded. Last year's figure was 45% with 33% the previous year.

The average number of apprentices in training is 1 per local authority.

The inclusion of a requirement for an apprenticeship scheme in contracts, the issue of community benefits, the push for more apprenticeships from government and the desire to skill staff internally has raised the profile of apprenticeships. However councils with apprenticeship schemes are still in the minority and the budget cuts noted above are likely to have a disproportionate effect on apprenticeships leading to fewer opportunities.

10) What is the average age of your operational staff?

The average age is 46 years (from 28 responses). A number of factors impact on the average age of staff such as the ability for councils to train and recruit staff, the state of the economy, how attractive councils are seen as employers and whether older staff are seen as a benefit or a drag on the workforce. Overall the average age of the population is increasing so this may be reflected in the age of the workforce.

However this issue cannot be ignored and years of experience is often lost when a single older worker takes a redundancy package. Unless they are replaced obvious problems will arise. The recruitment freezes which were also introduced following budget restrictions mean that many positions are not being filled and so younger members of staff are not being introduced to the workforce.

11) Do you currently sell your services to organisations external to the council?

Answer Options	2012 Number (%)	2011 Number (%)	2010 Number (%)	2009 Number (%)	% change 2009-2012
No and not considering it for the near future	18 (45%)	16 (40)	17 (31.5%)	13 (29.5%)	+15.5%
No but considering it as an option in the near future	5 (12.5%)	2 (5%)	3 (5.6)	4 (9.1%)	+3.4%
No but likely to start doing it in the near future	0	1 (2.5%)	0	0	0%
Yes and expecting to continue	17 (42.5%)	20 (50%)	33 (61.1%)	26 (59.1%)	-16.6%
Yes but not expecting it to continue long term	0	1 (2.5%)	1 (1.9%)	1 (2.3%)	-2.3%
Total	40	40	54	44	

The answers from responses to this question show that proportions remain similar to last year. About half of services do not trade externally and are not considering it as an option. They presumably have taken a decision to concentrate on their own local service users and ensure the service provided is top quality. 12% are considering it as an option which is line with current thinking on generating income from all sources where capacity allows it. In general there has been little change between categories which reflects the air of austerity within local authorities and the unwillingness by some to try new approaches. Examples include developer funded section 38 works, small scale security lighting, re-wires and design services to local builders. Another repsondee carries out work on behalf of 3 district councils and 50 parish councils.

12) Where do you see growth areas for the service over the next 12 months?

Clearly there will be differing opinions in relation to this question and whilst a number of responses noted that there opportunities for growth others suggested there would be none. Areas of growth that were noted include the following

- External work from design to installation
- Installation of energy reduction equipment, energy saving, reduction in energy / carbon consumption, use of energy reduction products, energy reduction projects, spend to save energy reduction
- CMS, LED, dimming
- Innovative lighting
- Installation of energy saving devices such as part night cells
- Installation of new technologies to minimise consumption costs
- Testing new technologies
- Replacement of energy efficient lanterns and CMS
- Involvement with private sector developers, housing developers, schools, NHS, fire brigades, police, parish councils, supermarket car parks, retail parks

- Joint working with other councils
- Reactive maintenance
- Lighting column replacement

13) Where do you see areas where work may decrease for the service over the next 12 months?

Again there was a mixture of responses to this question with some people claiming there would be no reduction in work whilst others thought all areas of work would experience cuts. The items noted will reflect circumstances in each area. Equally there will be areas of reduced work in some councils which will be areas of increased work in others. However this does give an idea of areas where the level of work is likely to change.

Some specific responses included

- New estate developments
- Column replacements
- Routine maintenance, bulk lamp changes due to LED and white light programme
- Bulk change and clean to be abandoned following introduction of a CMS
- Capital investment work
- Rural lighting
- Housing, private sector
- Relighting schemes
- Inspections
- Unnecessary lighting to be removed
- Non statutory works

14) Has your council undertaken any of the energy saving initiatives? (If so please provide details such as 20% dimming or switch off for 5% of lighting stock between 2am and 5am)

Out of the 26 respondees, 23% have switched lamps off, 81% have dimmed lamps and 65% have trimmed time off lighting hours.

Part night switch off and diming has been trialled widely. For example one council has white light retrofitted on all group A lanterns which are now being fitted to group B with dimming to 75% from 7/8pm to 6am. Another has a part night lighting project initiated for rural areas using a combination of part night-lighting for residential areas and dimming on traffic routes. A further example is a council currently with approximately 2000 units being dimmed - 75% from 22:00-00:00, then 50% from 00:00-05:30. They are also just confirming details of 2000 units that they are proposing to part night switch off, midnight to 05:00. Another response noted the change of all sign lighting units to LED. The general trend amongst respondees is that trials are being widely undertaken and are at various stages of testing alongside investment in replacement and new lamps and CMS.

15) What is your council's approach to lamp replacement within your street lights (burn to extinction, planned replacement or other)?

With 20 councils responding that they carry out planed replacements and 17 following a policy of burn to extinction, both are popular. A number of councils noted that they have changed or are about to change their policy in this area.

16) Does your council scout for failures?

There were 39 responses to this question and 9 councils stated that they did not scout for failures.

The general trend of more frequent scouting in winter than in summer remains, however changes include scouting in some main towns only, scouting carried out by general workforce on an ad hoc basis and scouting on main roads only rather than in residential areas. Another response detailed the introduction of a night find and fix shift following pre-determined routes. A number stated that scouting had been removed to save costs. Others stated that it would cease following CMS introduction.

Overall scouting is undertaken far less than a few years ago.

17) How does your council track energy usage (by half hourly metering, estimated annual consumption or other)?

12 councils (of 38 respondees) use estimated annual consumption whilst 11 use half hourly metering. A further 3 use unmetered half hourly, 3 more passive half hourly, and 5 more pseudo half hourly. The remainder have other methods of metering.

18) What is your council's target time for restoring street lights to working order (in days)?

The most popular target for restoring lights is 5 days a target adopted by 19 councils. A further 7 have a target of 7 days whilst 4 use 4 days as a target, 6 use 3 days and 1 uses 2 days. The average for all responses is 4.9 days, slightly up from last year.

Clearly a range of circumstances will impact upon target times which are set such as the area and the number of lights to be covered by the service, the urban/rural split or the split between different types of roads. Target times are distinct from actual restoration times.

19) Which energy supplier do you use?

A variety of power providers are used by the 37 respondees. These are as follows

Scottish Power – 10
NPower –9
EDF – 6
Scottish and Southern Energy (Scottish Hydro and Southern) - 4
Haven Power – 2
Lazer – 2
Southern Electric – 1
Yorkshire Energy Distribution (YPO) – 1
E.ON - 1
One council purchases from multiple suppliers with a view to reducing risk. This is interesting in that having more than one supplier would appear a 'sensible' approach yet is not a common one.

20) What is the length of your current energy contract?

Contracts last for a variety of time spans from 12 months to 6 years with 12 out of 28 being for a single year.

21) When does your current energy contract end?

As expected contracts end at various times and are being negotiated on a continuous basis

There is always further room for collaboration on purchasing and although geographical distance would make this more difficult it is not an insurmountable issue. There are many examples of councils working together and energy should be no different from other commodities. In terms of responses to the survey, 4 are due to end in 2012, 11 in 2013, 5 in 2014, 4 in 2015 and 1 in 2017.

Conclusions

The survey covers a range of questions and provides a lot of information. The main issues of energy management, reduced budgets and trials of different approaches remain high profile. Different authorities have different outlooks to, for example, trading with external organisations or areas of work which they think will expand or contract in future years.

There is no doubt that innovation is alive and well in local government and there are examples within this survey to justify such a statement.

The Association for Public Service Excellence

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area please email enquiries@apse.org.uk.

Our national advisory groups include:-

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- Renewables and climate change
- Roads, highways and street lighting
- Service delivery models
- Service improvement and performance management
- Sports and leisure management
- Vehicle maintenance and transport operations
- Waste management, refuse collection and street cleansing