

## AGENDA ITEM NO 12

REPORT NO 149/20

### ANGUS COUNCIL

#### SPECIAL ARRANGEMENTS COMMITTEE – 26 MAY 2020

#### LIGHTING PARTNERHSIP

#### REPORT BY DIRECTOR OF INFRASTRUCTURE

#### ABSTRACT

The report seeks approval to extend the existing Street Lighting Partnership with Tayside Contracts through a joint Partnership Agreement for the shared service delivery of street lighting with Dundee City Council and Perth & Kinross Council. The agreement will run for the period to 31 March 2023. Reports were approved by Perth & Kinross Council on 22 January 2020 and Dundee City Council on 27 January 2020 seeking to work to the same Partnership Agreement.

#### 1. RECOMMENDATION(S)

It is recommended that the Committee:

- (i) approves the new Street Lighting Partnership with Tayside Contracts, Dundee City Council and Perth & Kinross Council through a 3-year Partnering Agreement to 31 March 2023; and
- (ii) authorises the Director of Infrastructure, in consultation with the Director of Legal and Democratic Services to sign the partnership agreement for the 3-year period to 31 March 2023.

#### 2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

This report contributes to the following local outcome(s) contained within the Angus Local Outcomes Improvement Plan and Corporate Plan:

##### ECONOMY

- An inclusive and sustainable economy

##### PLACE

- An enhanced, protected and enjoyed natural and built environment
- A reduced carbon footprint
- Safe, secure, vibrant and sustainable communities

#### 3. BACKGROUND

- 3.1 The Infrastructure Services Committee at their meeting of 25 August 2009 approved the proposal to enter into a lighting partnership between Angus Council Infrastructure Department and Tayside Contracts for an initial trial period of two years (Report No 581/09). This commenced on the 1 April 2010.
- 3.2 At the meeting of 17 January 2012 the Infrastructure Services Committee approved the extension of the lighting partnership for a further three years (Report No 44/12). This commenced 1 April 2012.
- 3.3 At the meeting of 3 March 2015 the Communities Committee approved the extension of the lighting partnership for a further three years (Report No 99/15). This commenced 1 April 2015.

#### **4. CURRENT POSITION**

- 4.1 Following the retirement of the Lighting Partnership Manager in September 2018, discussions have been undertaken with the Lighting Partnership in Dundee City and Perth & Kinross Councils, which was a similar arrangement to the one that Angus Council has had with Tayside Contracts since April 2010.
- 4.2 Over the time of the discussions the operational management of the respective Partnerships have effectively merged, with the Lighting Partnership Manager for the agreement between Tayside Contracts, Dundee City Council and Perth & Kinross Council, also taking over management responsibility for the Tayside Contracts and Angus Council agreement.
- 4.3 Part of these discussions was to establish an equitable split of the staffing costs for the sole Lighting Partnership Manager, which has been agreed between the three councils.
- 4.4 The shared operational management and Partnership Board that is currently in place as the new Partnership Agreement was drafted – see **Appendix 1** – and approvals sought, has continued to focus on the opportunities for increased efficiency and effectiveness of the lighting services across the three council areas. Whilst there remain differences in the practices from the local considerations, there are significant opportunities for further gains in efficiency and effectiveness across the three councils.
- 4.5 Reports were approved by Perth & Kinross Council on 22 January 2020 and Dundee City Council on 27 January 2020 seeking a joint Partnership Agreement for the shared service delivery of street lighting with Dundee City Council, Perth & Kinross Council, Tayside Contracts and Angus Council. The agreement will run for the period to 31 March 2023.

#### **5. PROPOSALS**

- 5.1 The delivery of a street lighting service in partnership with Tayside Contracts has been successful. There are still opportunities for improvement to further enhance and build on the successes that have been realised to date.
- 5.2 This report proposes the extension of the existing partnership with Tayside Contracts, through a joint Partnership Agreement for the shared service delivery of street lighting with Dundee City Council and Perth & Kinross Council, which has already been approved by Dundee City Council and Perth & Kinross Council, and is agreeable to Tayside Contracts. The agreement will run for the period to 31 March 2023.

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 The shared staffing costs for the sole Lighting Partnership Manager, which has been agreed between the three councils, can be met from the staffing budget of the Roads & Transportation service.
- 6.2 Continuation of the partnership provides the opportunity to balance service improvements with the drive to reduce costs and improve productivity. The potential to offer future cashable efficiency savings can be achieved with more effective and efficient use of resources.

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Report No. 44/12 – Lighting Partnership – Communities Committee, 3 March 2015
- Report No. 44/12 – Lighting Partnership – Infrastructure Services Committee, 17 January 2012
- Report No. 581/09 – Lighting Partnership – Infrastructure Services Committee, 25 August 2009

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**DUNDEE CITY COUNCIL, PERTH & KINROSS COUNCIL,  
ANGUS COUNCIL AND TAYSIDE CONTRACTS LIGHTING SERVICE  
PARTNERING AGREEMENT  
1<sup>ST</sup> JUNE 2020 TO 31<sup>ST</sup> MARCH 2023**

**INTRODUCTION**

**EXECUTIVE SUMMARY**

Over a number of years the Street Lighting services in Dundee, Perth and Angus have been operated by means of two independent partnership agreements with Tayside Contracts. It is proposed that the lighting service for Dundee City Council, Perth & Kinross Council and Angus Council should now be delivered by means of a joint Tri Council Partnering Agreement with Tayside Contracts.

Both Partnerships have been considered a success and have managed to streamline administration, reduce duplication and demonstrate Best Value approach against a set of strategic performance criteria. All parties have considered their options and wish to come together as a Tri Partnering approach for a period of 5 years from 1 July 2019 to 31 March 2023.

The Partnering Agreement would be for a 5 year period following which it would be reviewed. In the event the Partnership continues to be a success, it would be the intention of all parties to extend the partnership for a longer period.

Operational delivery of the service is by means of an integrated organisation comprising Tayside Contracts, Dundee City, Perth & Kinross and Angus Street Lighting employees.

Responsibility for service delivery would continue to be overseen by an Executive Board consisting of Officers from City Development Department, Dundee City Council, Environment Service, Perth & Kinross Council, Infrastructure, Angus Council and Tayside Contracts.

The Integrated organisation is not a corporate body, nor does it have the capacity to enter into contracts for whatever purpose.

## CONTENTS

	Page No.
Introduction – Executive Summary	2
Contents	3
1 – Service Description	4
2 – Service Objectives	5
3 – Charter	6
4 – Mutual Objective/Success Criteria	6
5 – Key Performance Measures and Targets	7
6 – Term	7
7 – Payment	7/8
8 – Quality Management	9
9 – Dispute Resolution	9
10 – Insurance	10
11 – Management	11
12 – Programming	12
13 – Termination	12
14 – Lighting Service Management Structure	13
15 – Signed Partnering Agreement	14

## **PARTNERING AGREEMENT**

### **1. Service Description**

- 1.1 Dundee City Council, Perth & Kinross Council and Angus Council provides a full range of services, including statutory duties required by the Roads (Scotland) Act 1984 and Electricity at Work Act 1989, associated with the installation, upgrading and day-to-day maintenance of the Council's road lighting infrastructure.
- 1.2 Street lighting makes an important contribution to road safety, crime prevention and the creation of an acceptable, safe night-time environment. Good reliable street lighting is a key factor in building and maintaining community safety and improving the quality of life for both residents and visitors.
- 1.3 The street lighting Partnership is committed to maintaining and where possible improving the high level of service provided in the operation and maintenance of this asset. The Partnership approach adopted by all councils has been successful in reducing the cost of providing the street lighting service and will continue to seek to do so.
- 1.4 The maintenance of the street lighting asset includes replacement of the asset when it reaches the end of its serviceable life. In addition, new developments requiring lighting are adopted by the council.
- 1.5 The lighting service also encompasses illuminated traffic signs, other electrical street furniture and their maintenance.
- 1.6 The issue of sustainability is a major consideration in the provision of the lighting function and the team will continue to review sustainability of the service including energy efficiency devices and the use of recycled and alternative materials.
- 1.7 Through its electricity consumption, Street Lighting can contribute up to 10% of the Councils overall Carbon footprint and in the life of this agreement will play a major part in offering up initiatives to help Councils meet their obligations and targets in relation to the Carbon Reduction Commitment Legislation.
- 1.8 Across the three council areas the existing Quality Management Systems will be reviewed and updated with one system established and introduced into the work of the street lighting teams to ensure that similar operations are carried out in a consistent manner and to an appropriate standard.

## TRI COUNCIL LIGHTING

### 2. Service Objectives

- 2.1 The Councils' objectives in respect to the delivery of this service are to:-
- Assist the Councils in achieving their corporate objectives
  - Improve the overall management and maintenance of the street lighting asset and maintain the position as leading authorities in Scotland for this service.
  - Provide a lighting service that improves road safety and the well-being of the public across the Councils'.
  - Seek to continually improve the lighting service, balancing increased performance and the drive to reduce costs by maximising service efficiencies.
  - Demonstrate Best Value in the procurement of lighting works and reduce costs consistent with service standards.
  - Seek to minimise the adverse impact that the lighting function has on the environment.
  - Improve the reliability and operation of street lighting equipment by reducing the number of annual defects
  - Deliver the lighting service with due regard to the health and safety of the public and the work force.
  - Integrate with the other services of the Councils'.
- 2.2 **Tayside Contracts** objectives in respect of service delivery are to:
- Produce a cost effective and quality product/service that meets the needs and requirements of the three constituent councils and other clients.
  - Develop partnerships with all stakeholders including the constituent councils, other clients, the people and businesses within the community.
  - Create a responsive organisation that develops, monitors and evaluates standards of performance.
  - Encourage innovation that adds value to our products and services.
  - Seek to expand our customer base within current legislation for the benefit of the community.
- These objectives are encapsulated in Tayside Contracts' mission statement, **“Community benefit through the pursuit of excellence.”**
- 2.3 The culture, ethos and vision of all four organisations is ideally suited to providing a seamless and best value lighting service to the Councils' and to end users of lighting services in Dundee City, Perth & Kinross and Angus through the framework of a Partnering Arrangement. Our approach and commitment to the Partnering Agreement is detailed below.

### **3. Charter**

- 3.1 We are committed to working together to deliver a successful street lighting service meeting all safety, cost, quality and time criteria and demonstrating best value. The partnership between Tayside Contracts, Dundee City Council, Perth & Kinross Council and Angus Council is to be known as the Tri Council Lighting Partnership.

#### ***To achieve this we will be***

- Open and honest and work together as a single team, with integrity
- Empowered and committed in a spirit of mutual trust and co-operation to meet users and each other's service needs
- Innovative, effective and excellent in service delivery
- Efficient through continuous improvement

### **4. Mutual Objectives/Success Criteria**

- 4.1 We acknowledge that as separate bodies we have independent organisational goals but that by agreeing this partnership we share objectives to:
- Improve communication and awareness
  - Reduce duplication, both in terms of systems and resources
  - Reduce the average unit cost of the services delivered
  - Improve management and reporting
  - Improve supervision, quality and productivity
  - Provide opportunity to devise new and improved working practices to make more effective and efficient use of resources.
  - Achieve the required rate of return in terms of statutory requirements and that of the Joint Committee
  - Minimise and reduce impact on the environment

### **5. Performance Indicators and Targets**

- 5.1 An annual service plan and five-year service improvement plan shall be prepared by Lighting Partnership Manager detailing Performance Measures and Targets to be achieved. An Executive Board shall be responsible for agreement and delivery of the Performance Measures and Targets.
- 5.2 The Lighting Partnership Manager shall be responsible for the day to day operation of the partnership and for updating the Executive Board on progress in relation to the Performance Measures and Targets as detailed in the annual service plan agreed by the Executive Board.
- 5.3 The Lighting Partnership Manager shall develop a series of Performance Indicators ("PI's"), building on the existing service measures which will demonstrate the continual improvement of the service, financial stewardship and the benefits of the partnership. These PIs will include annual targets which the service seeks to achieve.
- 5.4 These PIs and progress towards targets will be reported to the Executive Board at least quarterly to monitor performance and take appropriate action to

complete the targets.

- 5.5 Targets and PIs will be reviewed annually by the Lighting Partnership Manager and submitted for approval to the Executive Board.

## **6. Term**

- 6.1 Subject to the terms of Clause 13.1 the term of this agreement will be from the 1 June 2020 for a period of 34 months ending on 31 March 2023 unless otherwise agreed.

## **7. Payment**

### Dundee City and Perth & Kinross Council

- 7.1 Payment terms will follow the relevant clauses in the Engineering and Construction Contract for Option C: Target contract with activity schedule as amended by the following.
- 7.2 Tayside Contracts will assess the amount due on a cost-plus basis (20%, reviewed and updated annually) for each work activity and submit an invoice at the end of each month, until the end of the agreed period.

### Angus Council

- 7.3 In the initial stages payment mechanism will continue on the existing pricing mechanisms (schedule of rates; bills of quantities demonstrable rates etc) but will seek to move towards cost plus mechanism if that proves advantageous to both parties. The progress of this transfer will be reported by the Lighting Partnership Manager to the Executive Board on a quarterly basis.

### Dundee City, Perth & Kinross and Angus Council

- 7.4 The Employer pays Tayside Contracts within 3 weeks of receiving Tayside Contracts invoice.
- 7.5 If the Employer does not agree with the invoice submitted by Tayside Contracts, he notifies Tayside Contracts of the reason for his disagreement before the payment becomes due.
- 7.6 Should Tayside Contracts wish to dispute the Employers decision the Dispute Resolution Procedure would begin at Stage 2.



## **8. Quality Management**

- 8.1 We are dedicated to the provision of a service that meets all the requirements of our customers. We will aim to achieve this first time, on time. In order to ensure this we will seek to develop systems, procedures and resources that ensure compliance with the requirements of BS EN ISO 9001 and 9002. We will endeavour to involve all our employees engaged on the service in the process and will provide the training and development necessary to sustain the principles outlined here. We acknowledge that prevention of problems is better than cure, but if we do fail to meet requirements, we will take prompt remedial action with the minimum of disruption to the customer. We will investigate the root cause of failures and establish the action necessary to prevent reoccurrence, thereby taking a proactive approach to quality improvement.

## **9. Dispute Resolution**

- 9.1 The Parties intend that disputes should be resolved at the earliest possible time and at the point of dispute. Where resolution has not been achieved the following Dispute Resolution Procedure will apply:

### Stage 1

- The matter will be referred by the party in dispute to the Street Lighting Partnership Manager who will resolve the matter with the party in dispute.
- Where resolution has not been mutually agreed, the Lighting Partnership Manager will escalate the dispute to Stage 2:

### Stage 2

- The matter will be referred by the Lighting Partnership Manager to the Head of Operations of Tayside Contracts who will resolve the matter with the Head of Roads & Transportation (Dundee City) or Head of Technical and Property Services (Perth & Kinross) or Service Leader – Roads & Transportation (Angus Council).
- Where resolution has not been mutually agreed with the party in dispute, the Head of Operations will escalate the dispute to Stage 3:

### Stage 3

- The matter will be referred by the Head of Operations to the Managing Director of Tayside Contracts and Executive Director of City Development (Dundee City) or Depute Director of Environment Services (Perth & Kinross) or Director of Infrastructure (Angus Council) who will be the final arbiters for any dispute.

## **10. Insurance**

- 10.1 The Council indemnifies Tayside Contracts against claims, proceedings, compensation and costs payable which arise directly from the lawful, non-negligent provision of the service, or which arise from any fault, negligence, breach of statutory duty or any acts prejudicial to any legal rights which

provision, fault, negligence, breach of statutory duty or prejudicial acts are solely attributable to the Council which are the unavoidable result of the service or of providing the Service or which arise from fault, negligence, breach of statutory duty, or interference with a legal right by the Council except by Tayside Contracts.

10.2 Tayside Contracts indemnifies the Council against loss, damage, injury, illness or disease, claims, proceedings, compensation and costs arising from their negligent carrying out of the Service.

10.3 Notwithstanding the foregoing generality, Tayside Contracts will effect and maintain the following insurances:

- Employers Liability: minimum indemnity limit £10million any one incident, unlimited in the period;
- Public Liability: minimum indemnity limit £10million any one incident, unlimited in the period

## **11. Management**

11.1 The Executive Board (the Board) is responsible for the performance of the services. It will consist of 9 members, 2 from Dundee City, 2 from Perth & Kinross Council, 2 from Angus Council and 2 from Tayside Contracts together with the Lighting Partnership Manager (non-voting, no executive member). The Board will meet not less than every 3 months or more frequently as determined by the board and may discuss all aspects of the service as they relate to the Agreement along with matters of mutual interest which affect the progress of the service.

11.2 Each party may appoint or remove members by notice to the other.

11.3 The Board shall operate as follows:-

- The Chairman shall be appointed annually by rotation at the Board's Annual Meeting.
- The Chairman shall have the casting vote at meetings of the Board.
- The quorum for meetings shall be 4 officers, one from each of the parties and the Lighting Partnership Manager.
- The Board shall meet at least four times a year of which one meeting will be the Annual Meeting.

11.4 The partners shall have the power to appoint substitutes who may sit on the Board from time to time and each party shall use best endeavours to notify the other party in advance whenever a substitute will be attending a meeting of the Board.

11.5 The Executive Board shall hold the Partnership Manager accountable for the day to day running of the partnership and shall provide strategic direction, corporate monitoring and reporting, leadership and support to the partnership.

11.6 The Partnership Manager shall be responsible for the day to day operation of

the partnership and for updating the Board on progress in relation to the Performance Measures & Targets as detailed in the annual service plan agreed by the Board. More specifically the Partnership Manager shall present to the Board at all its meetings a quarterly performance report detailing outcomes achieved in relation to service plan objectives. The Partnership Manager shall also present an annual report to the Board no later than June each year, detailing the performance of the partnership against the service plan objectives.

11.7 An organisational chart showing the operational management structure of the service is detailed at Appendix 1.

11.8 All individuals working within the Partnership will remain on the terms and conditions of their employing organisation. Similarly, all disciplinary, sickness absence, work performance matters etc will be dealt with in accordance with the employment policies, procedures and protocols of the employing organisation. As such the provisions of TUPE do not apply to the Partnership

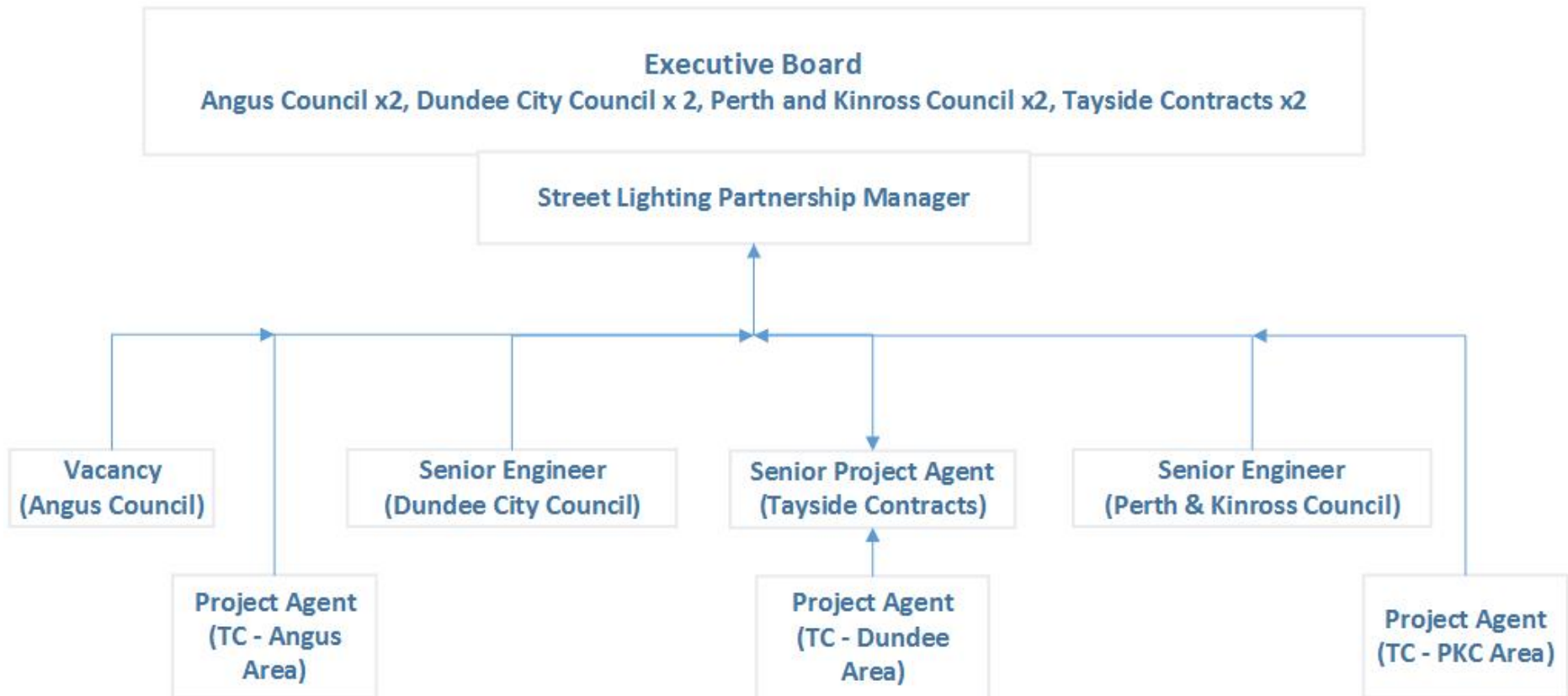
## **12. Programming**

12.1 Services are to be delivered to meet the requirements of Councils' and end users in the most efficient manner possible. To do this we will jointly plan and programme work so as to achieve customer satisfaction, Best Value and mutual objectives/success criteria referred to in this Service Agreement. The day to day operational issues are delegated to the Lighting Partnership Manager.

## **13. Termination**

13.1 Any party may terminate the Partnering Agreement by giving six months' notice in writing to the other parties such notice being effective from the 1 April or 1 October whichever date next follows the notice in writing.

## Appendix 1



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I Cochrane  
Director of Infrastructure  
Angus Council

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I C Waddell  
Managing Director  
Tayside Contracts

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Date:

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Date:

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Barbara Renton  
Executive Director  
Housing and Environment Services  
Perth & Kinross Council

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R Presswood  
Executive Director of City Development  
Dundee City Council

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Date:

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Date: