

GWYNEDD COUNCIL CABINET



A report to a meeting of the Gwynedd Council Cabinet

Date of meeting: 07 September, 2021

Cabinet Member: Cllr Catrin Wager

Liaison Officers: Steffan Jones, Head of Highways and Municipal Department
Huw Williams, Head of Gwynedd Consultancy Department

Contact Numbers: 32402 / 32426

Subject: PERFORMANCE CHALLENGING REPORT BY THE CABINET MEMBER FOR HIGHWAYS AND MUNICIPAL AND GWYNEDD CONSULTANCY

THE DECISION SOUGHT

To accept and note the information in the report.

THE REASONS WHY A DECISION IS NEEDED

In order to ensure effective performance management.

Highways and Municipal Department

1. INTRODUCTION

- 1.1 The purpose of this report is to update my fellow members on what has been happening in the areas for which I am responsible as Cabinet Member for Highways and Municipal. This will include outlining the latest developments against pledges within the 2018-2023 Gwynedd Council Plan; the progress of performance measures; and the latest on the savings and cuts schemes.
- 1.2 I wish to remind you that all matters have already been the subject of discussions and have been scrutinised by myself at a meeting of the Highways and Municipal Department's Management Team, which also included representatives from the relevant Scrutiny Committee.

1.3 On the whole, I am satisfied with the performance of the measures being reported. The Department is facing considerable work in order to ensure that we will reach the Welsh Government's target for statutory recycling by 2025. We also have work to do to maintain the standard of our roads in the face of budgetary pressures. There will be an opportunity to look at other measures as we complete the main project (Clean and Tidy Communities) and we look forward to developing the target and producing an action programme.

2. PROJECTS of the GWYNEDD COUNCIL PLAN 2018-2023 (Improvement Priorities)

2.1 Below we note the progress made to date against the Department's improvement priority projects. Overall, I feel that all projects are currently going in the right direction against the pledges we have made in the Council Plan. However, an important part of the work is engaging with the communities in order to understand and hear what matters to them. This work will accompany the 'Our Area Engagement Plan 2035'.

Clean and Tidy Communities

As part of this project we will work with the residents and communities of Gwynedd by engaging with them to develop an Action Plan corresponding to this priority, expanding and developing community partnerships to improve the quality and appearance of the County. The principles agreed can be seen below.

The Department's aim is to work with the residents and communities of Gwynedd to have clean and tidy communities by:

1. Working with the residents and communities of Gwynedd
2. Securing clean and tidy communities
3. Having materials remain in use for as long as possible, with the ambition of becoming a waste-free County
4. Respecting and protecting our special environment.

The first part of this project will be to engage with the stakeholders and residents of Gwynedd. This work will commence in July 2021 by arranging focus groups, questionnaires and other various methods, ensuring that we reach groups, organisations and residents. As outlined above, this work will follow the timetable in the 'Our Area Engagement Plan 2035', but the Department will also initiate engagement work with staff/the workforce. A task team has been established, and one meeting has taken place.

I will update you on this project in my next report.

Strengthening Communication and Engagement

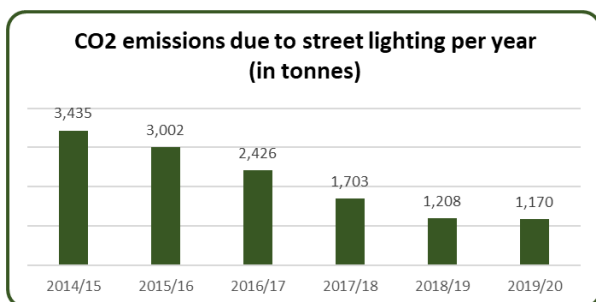
The Highways and Municipal Department is very visible where every resident in the County is affected by some aspects of the service. Value can be added to the Department's work by means of effective communication and engagement plans; for example, campaigns to prevent littering or dog fouling, or campaigns and guidelines to encourage re-use, re-purposing and reduction of waste. It is also crucial that residents are confident in the Department's services and that their concerns and enquiries are dealt with effectively.

This project has commenced recently, beginning by reviewing our current engagement arrangements – a task group was established with cross-departmental representatives (the Galw Gwynedd team, the internet team and the Corporate Communications and Engagement Unit). The first task will be to map the processes to ensure they are accurate and up-to-date. This work will include engagement at area level, and every member will have the opportunity to feed into the work. As a group we have identified that better use is needed of the Gwynedd Council app – this will be covered by the review. I will update you on this project at the next meeting.

2.2 Other Projects

Programme for Changing Street Lighting to LED lamps

In my last report I noted that the work of changing our street lighting and signs to LED technology is continuing. The Street Lighting Service is working on replacing street lights and signs with LED technology, that also include a dimming mechanism. This work is continuing and we are now in the project's final year, and are pleased to report that approximately 15,000 lamps have been replaced with approximately 2,500 remaining. Since 2015/16, we have replaced more than 14,300 street lights and signs with LED technology. The graph below illustrates the reduction in CO₂ emissions (Street Lighting) as a result of the project. We anticipate that the work will be completed by the end of September 2021.



A Project for Reviewing the Council's Fleet Management

One element of this project is managing the use of Council vehicles. This project is still in progress but there has been some delay with the work because of specific legal requirements that are set out in employment law. I am pleased to report that, with assistance from the Council's Human Resources Service, we have now begun the process of consulting with the staff. The project is expected to be completed by the autumn.

Another important element of the fleet management project is the decarbonisation of the fleet. This corresponds with 'Improvement Priority 8 of the Council Plan 2018-23 – Respond to the Climate Change Crisis'. We have committed to taking decisive action to reduce carbon emissions and strive for a zero-carbon future, which includes looking for innovative approaches.

We have conducted a review of all the Council's vehicles with the support of the Welsh Government, and are busy producing an action programme. We will look at opportunities to add to our small fleet of electric vehicles and also increase charging points within our depot and offices. We have received a £300k grant for this purpose. The collection service will also see an electric refuse collection vehicle being trialled within the County.

The Head of Department also sits on the Deeside Hydrogen Hub board which is very important in considering alternative technology in the area of heavy plant vehicles such as refuse vehicles and gritters.

I will present more information in our next meeting.

Playing Fields Project

We know that playing fields are important for children, parents and childminders, but as play equipment is expensive and funding is very scarce, maintaining them so that they are safe for children and young people to enjoy is proving challenging. The Department is resuming this project and updating the work that was carried out up until March 2020. This project is exploring the interest by Community/Town Councils or the community/groups in looking after and running children's playing fields.

The Department has already corresponded with community councils by letter for their initial observations but there was a delay because of the pandemic. The Department has now resumed discussions. The Department will also contact other groups and partners within the community that would be interested in forming a partnership with the service. There is a risk to this project as at present, only around five Community Councils have expressed an interest in holding further discussions. As a result, the Service will open discussions with community/interest groups and will look at opportunities for working alongside them rather than transferring the responsibility entirely. We are of the view that playgrounds as a resource will be a priority for our residents as we emerge from the crisis. The Service has borne significant cuts and the equipment is now in dire need of investment. By opening the discussions with others, we anticipate that opportunities will arise to attract grants.

3. PERFORMANCE

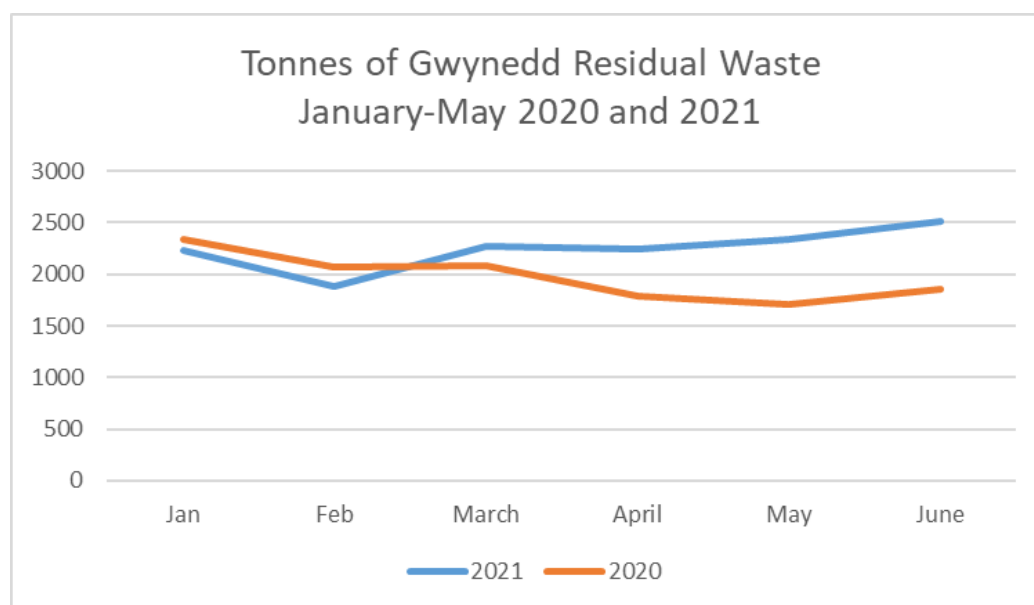
- 3.1 The past year has been very different for us all, and has tested us to the limit. However, we can be proud of what has been achieved in new and challenging circumstances, and the Department has managed to ensure the continuity of our services while also complying with the requirements of the crisis. In terms of the Department's measures, I am generally happy with their performance. Nevertheless, I draw your attention to the main issues arising.
- 3.2 In the previous report, I noted that the changes to the new system of waste collection would be implemented in the Meirionnydd area during the end of 2020/21, I am pleased to record that this work was introduced on time and the project has now been completed across the County.
- 3.3 **Waste and Recycling Service** – as reported previously, it is imperative that waste is handled correctly if we are to protect our environment. An Economy that promotes re-use and recycling to reduce waste (known as the Circular Economy) is vital as we work towards this aim.

During the past year, we managed to attract £1.4m of grant funding to deliver projects in this field. Below is an update on some of the projects that have been/are being addressed:

- Alterations to Llandygai Recycling Centre in Bangor, which includes establishing a re-use shop – work completed on the site and is now fully operational – our shop is scheduled to open by the autumn.
- Repair Café Project – establish a network of shops across the County which will see opportunities for training and the repair of items.
- Alterations to the Caergylchu Materials Recycling Centre, Caernarfon – work has been completed and is now fully operational, this has improved the quality of the treated materials.
- Community food provision project – we have provided food hubs with the required equipment, which have all been distributed by now. Many of the hubs have received Tupperware for carrying meals, bags and cooking equipment. We will build on the links that have already been made in order to look at expanding on further opportunities.
- Warws Werdd and Antur Waunfawr joint project – infrastructure work on the site completed.
- The Repair Café project and Re-use/bulky items project – this introduced a provision on the high street in several centres to provide opportunities to repair items so they can be re-used.
- Finish distributing the Cartgylchu – targeting the rural areas of the County.

Since the start of the pandemic, I am pleased to report that we have witnessed an increase in our recycling performance which now sees the Council recycling 67% of the County's waste.

However, there has been an increase in the residual waste collected which is concerning, but possibly expected. This graph illustrates the situation, comparing with residual weight for the same period in 2020. The situation will require monitoring over the course of this year.



We handle all the recyclable materials collected across the County, sorting and packaging them to be sent for processing. The table below gives an idea of the weight of recyclable materials collected from household waste.

Material	Tonnes 2020/21	Where does it go	The recycling process
Glass	4274.14t	We send the glass collected to Berryman recycling company in South Kirby.	Berryman specialises in new methods of treating glass so the material can have a second life. This new material is used to produce new bottles/jars, construction products, insulation and many more.
Plastic Bottles	1544.74t	Jayplas Recycling. (This company has several sites across the UK that specialise in recycling different types of plastics to the highest standard).	Here, the plastic bottles are sent through a processing system to produce PET Flakes that are then sold to companies that mould them to produce new food packaging.
Paper	3298.46t	Palm Paper Mill near King's Lynn.	Here, our paper bulks are sent through a newsprint machine. This is the largest machine of its type in the world. At a speed of nearly 2,000m/minute it has the capacity to produce 400,000 metric tonnes of newsprint per annum.
Food	4524.9t	GwyrriAD Anaerobic Digestion Facility in Clynnog Fawr.	GwyrriAD – which is run by Biogen on behalf of the Council – is a specialist centre that converts food waste into electrical energy for the national grid. It also produces fertiliser for agricultural land.
Steel Cans	Total of 570.77t of steel/aluminium cans.	EMR (European Metal Recycling).	Our steel cans are processed at the EMR site near Liverpool. Here, our cans are crushed using a mega shredder that has the power to recycle a car every 15 seconds.
Aluminium Cans		Tandom Metallurgical Recycling.	Tandom uses a shredding line for recycling our aluminium cans. Through this shredding line our cans are broken down into 50mm particles. The steel is then separated using a magnet.
Garden Waste	3345.81t	Gwrtaith Gwynedd.	The green waste that is processed on the Harri Parri/Gwrtaith Gwynedd site near Pwllheli is turned constantly in compost wind-rows. The vast majority of the processed material is composted and used on farmers' fields – including Harry's.
Residual Waste	Domestic - 17966.5t Commercial - 3177.34t Street Cleaning - 1197.24t Bulky - 265.54 Recycling Centres - 2323.4t	Parc Adfer.	Our residual waste is processed on the Parc Adfer site in Deeside. This site is a heat and power facility that generates enough energy to power more than 45,000 homes and businesses in the UK. The site was established as part of a Public-Private Partnership with support from the Welsh Government, to serve five local authorities that are part of the North Wales Residual Waste Treatment Project.

The Department is also facing pressure from the demand for receptacles, the levels are beyond what we can cope with within our programme/capacity, and the waiting list is currently longer than expected.

Ffordd Gwynedd Review of the Waste Service – In September we will begin a full review of the waste section, and I will present a report on the project's progress in my next report.

3.4 **Highway Maintenance Service** – Since the Ffordd Gwynedd review of the service, the new system of working is now operational since 1st April this year. It is pleasing to note that this work has been successful and has addressed the old system of working. We are also in the process of updating our Asset Maintenance Plan to reflect the new requirements in the Code of Practice, which emphasises risk management. We are also reconsidering our system for maintaining road verges and dealing with weeds – this will be covered in the review of our Highway Assets Maintenance Plan.

3.5 **Street Cleaning Service** – there has been considerable pressure on this service since the pandemic, where litter, overflowing bins and dog-fouling problems seem to have increased. While we are keeping on top of the situation, I predict that issues like these will come to the fore in the work on the 'Clean and Tidy Communities' project. I am also pleased to report that we undertook a consultation on a Dog Order that will be introduced, and a lot of good material was recorded from this consultation.

3.6 **Bereavement Service** – despite the challenges of the Covid-19 pandemic, I am incredibly pleased to be able to report that the Bereavement/Crematorium Service was able to continue to offer a full service to the residents of Gwynedd throughout 2020/21.

3.7 **Ash Dieback** – a summary of recent work undertaken to deal with this disease is as follows:

- 14,968 surveyed
- 8867 of these trees are on Council land or road verges
- 5267 of these are in the red category and are being addressed

This has only been the first step in a much larger programme. We are in the process of establishing an in-house team to continue with the work and follow-up with a programme of tree felling/treatment, and also a programme of replanting with suitable species.

3.8 **BSI Accreditations** – The Department has been successful in transferring from Accreditation 18001 (BSI) and reaching the requirements of 45001, which we were required to complete before the autumn this year. This means that we are meeting high requirements in terms of service delivery, with management systems and Health and Safety arrangements that are monitored by the BSI for the accreditation.

An audit is carried out twice a year to ensure that we are adhering to the requirements, which is done on various fields within our scope.

We also have the following Accreditations:

- BSI 14001 – Environment
- BSI 9001 – Quality

The same procedure of audit applies, where a BSI auditor will visit the Department twice a year to conduct a detailed audit of our arrangements.

4. FINANCIAL POSITION / SAVINGS

4.1 The Highways and Municipal Department ended the 2020/21 financial year with a balanced financial situation as a result of receiving Government grants to compensate for additional expenditure and loss of income due to the pandemic. A detailed review of the Department's financial position will be undertaken as part of the council-wide revenue review at the end of August, which will be reported to Cabinet on 12 October 2021.

4.2 At the end of the first quarter of the 2021/22 financial year, no major concerns have emerged. However, we will get a better picture of the situation at the end of August/beginning of September, which will convey the actual position after having completed the detailed review. The Waste Collection Service has historically recorded a deficit against the core budget, we will need to monitor this as we approach a full year of the recent changes in the service. Another one this year is realising the effect of losing the Grounds Maintenance contract with ADRA, as a deficit has been identified against the income target that existed. I will report on progress on these schemes in my next report.

5. NEXT STEPS AND TIMETABLE

The Department will give priority to making progress with the projects identified, and also ensure there are better links with the department's Risk Register.

With the Department delivering front-line services, we will continue with the aim of providing the best service to the residents of Gwynedd.

Gwynedd Consultancy Department

6. INTRODUCTION

6.1 The purpose of this report is to update my fellow members on what has been happening in the areas for which I am responsible as Cabinet Member for YGC. This will include outlining the latest developments against pledges within the 2018-2023 Gwynedd Council Plan; the progress of performance measures; and the latest on the savings and cuts schemes.

6.2 I wish to remind you that all matters have already been the subject of discussions and have been scrutinised by myself at a meeting of the Department's Management Team, which also included representatives from the relevant Scrutiny Committees.

6.3 On the whole, I am satisfied with the performance of the measures for which I am responsible, and I thank the Department for their work. I am satisfied with the Department's financial performance. Following the publication of the National Strategy for Flood and Coastal Erosion Risk Management in Wales (July 2020), I look forward to developing the Local Strategy. This will be an opportunity to put appropriate measures and priorities in place to reduce flooding risk and make the communities of Gwynedd safer.

7. PROJECTS of the GWYNEDD COUNCIL PLAN 2018-2023

The Department does not lead on any projects in the 2018-23 Council Plan. The Environment Department is leading on the Climate Change Action Plan with YGC supporting it on managing flood risk and coastal erosion.

I attach information about both risks which are very high on the agenda in terms of what has already been achieved:

- **The risk of flooding from the sea in coastal areas because of the effect of climate change.**
The Department is working to identify vulnerable communities in terms of the risks from the effects of storms, erosion and coastal flooding e.g. Pwllheli, Porthmadog, Dinas Dinlle and Fairbourne. Examples of schemes to reduce and manage risk that were completed recently are the sea wall in Felinheli as well as urgent work in Barmouth and Crugan beach. This information will form part of the work to renew the Local Flood Risk and Coastal Erosion Management Strategy, which is to be completed by October 2022.
- **The risk of inland flooding because of the effect of climate change.**
The Department is already identifying incidents of internal flooding to housing, and has produced reports. These could formulate specific projects to reduce the risks of flooding by applying for funding from Welsh Government. Examples of schemes to reduce and manage risk that have been completed are Llanberis (90 properties) and Rhostryfan (41 properties). Again, our priorities as a Council will be included in the new Local Flood Risk and Coastal Erosion Management Strategy.

Work is underway to produce a Local Strategy for Flood Risk and Coastal Erosion Management, which is to be completed by October 2022.

8. PERFORMANCE

- 8.1 The past year has brought us new and challenging circumstances. We can be proud that the Department has managed to ensure the continuity of its services while also complying with the requirements of the crisis, and has discharged its responsibilities. I am happy with the Department's performance.

Ymgynghoriaeth Gwynedd Consultancy (YGC) acts as:

- A commercial department that brings income to the Council,
- Undertakes statutory functions relating to water and flood management.

I now draw your attention to the main matters for YGC, starting with the commercial side.

8.2 Commercial Work

The vast majority of the Department's officers are involved with commercial work, which brings an income of over £5.7 million to the Council. Projects call for expertise from several Services, and an action plan is prepared for every project. The work pattern for the first quarter follows the same work pattern as last year. The main clients that the Department works for are:

NMWTRA	Housing and Property Department	Isle of Anglesey County Council
Welsh Government	Cyngor Sir Ceredigion	Denbighshire County Council
Highways and Municipal Department	Environment Department – Transportation and Street Care	Griffiths

- 8.2.1 I shall take the opportunity in this report to highlight an example of a major scheme that YGC is working on, namely the A55 Aber – Tai'r Meibion scheme, which will be completed by summer 2022. The contractor, Griffiths, has been appointed by the Welsh Government to undertake improvement works on the A55 at Abergwyngregyn. The Department fulfils the role of the Employer's Agent on behalf of the Welsh Government. The Design and Build contract will improve safety along a 2.2km stretch of the dual carriageway, between Junctions 12 and 13, by removing direct entry points on the A55. It is pleasing to work on a project that contains over four kilometres of enhanced active travel facilities, to encourage cycling and walking, and support the principles of a low carbon society. Also, given the historical flooding, it is nice to report on the provision of flood prevention work and creating resilience for the A55.
- 8.2.2 Over the past year, the environmental team has been working on several large highways schemes, such as the New Llanbedr Access Road. They have conducted several protected species surveys to ensure that the natural habitat is protected, and have also provided environmental improvement measures for both schemes.
- 8.2.3 The flooding team has built its largest river model to date for the new Bodfal bridge. The flooding model guides the floods assessment and design of the arch bridge, ensuring that the new works did not increase the risk of flooding to any property. The flooding and environmental risk teams contribute significantly to the development of new projects to ensure no projects have a harmful impact on our natural environment.
- 8.2.4 The Department gives high priority to staff training. The Department is the Regional lead on the North Wales Regional Professional Training Agreement on engineering work via the ICE (Institution of Civil Engineers). At present, there are seven trainee officers. This will enable us to develop their skills and ability to work on more challenging schemes. There is strong support for officers who have the aspiration and ability to gain professional qualifications. Staff are also aware that professional qualifications are key to attracting and winning work.
- 8.3 Undertaking statutory functions relating to water and flood management.
- 8.3.1 As a result of Climate Change, the threat of coastal erosion and flooding is worsening. Our intention, wherever possible, is to manage and reduce the impacts of these threats on the people of Gwynedd. There are also national legislations that place statutory responsibilities on the Council. In accordance with the objectives of the Well-being of Future Generations Act (2015), it is essential that we plan ahead to keep our communities safe, healthy and viable for the future. Climate change creates specific challenges, and flooding has been recognised as an international priority.

- 8.3.2 Climate change challenges bring an additional emphasis on our ability to be proactive with flooding. I wish to thank the Department for the work that has already been completed to prepare and deal with these challenges in an attempt to secure safe and prosperous communities in Gwynedd for the future. I will continue to work with the Department to hold appropriate discussions with key stakeholders including the Welsh Government, community councils and others such as the private and third sectors.
- 8.3.3 A flooding assets management system has been developed jointly with the Council's Information Technology service, which enables the Department to store all the assets data, along with data about flooding events, all within one system.
- 8.3.4 There are more than 200 assets due to be inspected in 2021/22. At present, 95 have been inspected since 1 April 2021, with a target date of 31 August 2021 to complete all inspections. We will subsequently know the condition of our assets in order to programme required maintenance works.
- 8.3.5 We are duty bound to investigate flooding incidents under the Flood and Water Management Act. There have been no incidents of internal flooding since 1st April. Of the 101 internal flooding incidents reported in 2020/21, the service has investigated every one. We also gather information by identifying faults or by receiving any flood-related concerns from Gwynedd residents. Our aim is to respond to these concerns as soon as possible.
- 8.3.6 Approval of SuDS (Sustainable Drainage Systems) applications remains good, with the number of applications received in the first quarter of 2021/22 being nearly double what we received in the first quarter of 2020/21. In future, we will look at the Department's structure to ensure that the service is sustained as the numbers increase.
- 8.3.7 Fairbourne. The document titled Fairbourne: A Framework for the Future was published in the autumn 2019. Accomplishing the work in the Framework is proving extremely difficult and complex, and it has been split into five work streams, each containing individual schemes. These work streams are:
- Floods and Coastal Erosion Risk Management Plan (FCERM)
 - People and the Built Environment Plan
 - Infrastructure Management Plan
 - Supporting Businesses Plan
 - Natural Environment Plan

Covid-19 has impacted on the work programme, and YGC are now reviewing the document. The Fairbourne Moving Forward Project Board includes the following bodies; Arthog Community Council (Chairing), Gwynedd Local Councillor, Gwynedd Council, Scottish Power, NRW, Community Ambassador x 2, Network Rail, the Health Board and Welsh Water.

The Department will continue to offer support to the community and the Community Council in order to truly understand the real needs and aspirations, and have two-way conversations as we move to the future. I am pleased that the Strategic Outline Business Case is moving forward to look into the feasibility of various options to support the community. The business case will be a fundamental part of the process of reviewing the Framework as it will propose a number of future solutions to the questions asked after the Framework was published. The Department is continuing to work on getting the Welsh Government to work jointly with the

Project Board, as many decisions about the future of Fairbourne are beyond the powers available to public bodies.

- 8.3.8 During this financial year the **Flooding Unit** is completing flood prevention schemes which will reduce the risk to homes in areas such as Tremadog. In addition, the Flooding Unit is working on nine business applications in order to attract investment to deliver more flood alleviation projects including Barmouth, Hirael, and the Ogwen catchment area. It is intended to complete these projects over the next 3-4 years. The Service is also working jointly with the Highways and Municipal Department to deliver 11 small-scale projects, which will reduce the flood risk to over 50 houses. The project group is continuing to work on a method of prioritisation in order to be able to complete the new Local Flood Risk and Coastal Erosion Management Strategy during this financial year. I will update you on the development of this work in future.

9. FINANCIAL POSITION/SAVINGS

- 9.1 The Department has achieved its historical efficiency savings schemes.
- 9.2 At the end of Quarter 1 of the 2021/22 financial year, the programmed work profile is consistent with previous years' profiles. At present, there is sufficient work available from our clients for the rest of the year, thus we currently do not anticipate risks of failing to reach our financial target. The Department is estimating a profit £26,065 higher than the target set for us for 2021/22.

10. NEXT STEPS AND TIMETABLE

Continue to operate and manage the Department with a closer alignment between the main risks register and the day-to-day work, with the aim of optimising the Department's performance to deliver the best service to the residents of Gwynedd.

VIEWS OF THE STATUTORY OFFICERS

The Monitoring Officer:

No observations to add in relation to propriety.

Head of Finance Department:

The Fleet Management review project within Highways and Municipal is currently being developed, but it is currently too early to estimate the additional resources that will be required to make this a reality. I can confirm that the Council has received a grant of £300,000 this year for the fleet's decarbonisation strategy. The Playing Fields Project is part of a £210,000 savings plan that needs to be delivered by 2022/23. It is noted in paragraph 3.2 that the project of introducing a new system of waste collection across the county has now been completed, but this must be balanced with the clear warning given in paragraph 4.2 where an overspend within the waste collection service is anticipated again this year.

The report acknowledges that the Highways and Municipal Department is currently working towards achieving savings, but there is still work to be done before all the historic savings are realised. It is premature to expand on the overall financial position reported here, but a detailed review of the Department's financial position will be undertaken as part of the revenue review at the end of August for the whole Council, with a report to the Cabinet meeting on 12 October 2021.

In accordance with paragraph 8.2, I confirm that the majority of Gwynedd Consultancy officers work on commercial projects that brings income of over £5.7 million to the Council. I also confirm that this Department has delivered on their historic efficiency savings plans. The profit figure above the target quoted in paragraph 9.2 corresponds to the position at the end of month 2, which was the most current information at the time.