

ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE

Minutes of a meeting held on 6th December, 2018.

Present: Councillor V.J. Bailey (Chairman); Councillor M. Lloyd (Vice-Chairman); Councillors Mrs. P. Drake, V.P. Driscoll, S.T. Edwards, A.R. Robertson, Ms. S. Sivagnanam and S.T. Wiliam.

566 APOLOGY FOR ABSENCE -

This was received from Councillor N. Moore.

567 MINUTES -

RECOMMENDED - T H A T the minutes of the meeting held on 8th November, 2018 be approved as a correct record.

568 DECLARATIONS OF INTEREST -

No declarations were received.

569 INITIAL CAPITAL PROGRAMME BUDGET PROPOSALS 2019/20 TO 2023/24 AND CAPITAL MONITORING 2018/19 (DEH) –

The Principal Accountant presented the report the purpose of which was to provide an update on the progress of the Capital Programme for 2018/19 and to submit for consultation the Initial Capital Programme Proposals for 2019/20.

Appendix 1 detailed financial progress on the Capital Programme as at 30th September, 2018.

The Welsh Government (WG) announced the provisional 2019/20 General Capital Funding, on 9th October, 2018. The 2019/20 Capital Settlement was a flat lined capital settlement which for the Vale of Glamorgan Council equated to General Capital Funding of £5.489m which was made up of £2.077m General Capital Grant and £3.412m Supported Borrowing. The General Capital Funding (GCF) for 2018/19 was £5.505m therefore there was a reduction of £16k between years.

There was no indication as to the level of funding likely beyond 2019/20 and therefore in line with the approach adopted in the Medium Term Financial Plan, the proposals assumed a reduction of 5% for each year of the Programme after 2019/20.

Appendix 2 set out the Initial Proposals for the Capital Programme between 2019/20 and 2023/24 for this Committee.

New capital bids were invited for return by 28th September, 2018 and the number of bids received was in line with previous years since the five year Capital Programme

was introduced (1 from Learning and Skills, 11 from Environment and Housing and 7 from Managing Director and Resources). Departments were requested to rank and assess their own bids in order of importance before submission and bids from each Department were forwarded to the Insight Board for evaluation.

The value of capital bids received for the Council as a whole totalled £5.096m in 2019/20 and £19.116m over the five year period. While the evaluation process had been carried out this year for all capital bids in the normal manner, the difference between the GCF previously projected for 2019/20, when the five year Programme was set for 2018/19, compared to the actual GCF for 2019/20 was an increase of £259k. Any increase in the five year Programme over and above £259k would require further use of reserves or capital receipts. It was therefore proposed that at this point, due to the low level of funding available, that the £259k be not allocated to a particular scheme but held on the All Services Asset Renewal budget line. It would be allocated by the Budget Working Group as part of the final budget setting process once the final settlement figures were received and the full impact on reserves and capital receipts could be assessed. A list of all the capital bids received for this Committee was shown in Appendix 3 to the report.

An allocation for Asset Renewal had currently been included in Appendix 2 over the five year period of the Programme. Unlike previous years, Asset Renewal budgets for each Directorate would be reviewed and schemes would be identified prior to the approval of the Final Capital proposals for 2019/20 to ensure that funding was allocated to priority schemes.

There was the potential requirement to purchase car parking meters as part of the Parking Strategy. Further details would be available for the Final Capital proposals 2019/20.

There had been a number of changes approved by Cabinet since the final budget proposals 2018/19 to 2022/23 were approved in February 2018. These changes, including capital sums carried forward, had been included in Appendix 2 to the report.

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. Each Scrutiny Committee would be asked to first consider the Initial Capital Programme proposals as shown in Appendix 2 and to make any recommendations for changes. If changes were requested, the reasons for these changes needed to be recorded in order to assist the Cabinet and the Budget Working Group (BWG) in drawing up the final proposals. Corporate Performance and Resources Scrutiny Committee was the lead Scrutiny Committee and would consider both the Initial Capital Budget Proposals and any recommendations that other Scrutiny Committees made. The responses of Scrutiny Committees must be made no later than 13th December, 2018.

Managers would be asked to revisit the schemes included in Appendix 2 and to confirm final costs and spend profile prior to the final proposals being presented to Cabinet.

Currently, the approved timetable required Cabinet to approve the final budget proposals by no later than 18th February, 2019 and that Cabinet's final Capital Programme proposals would be considered by Council at a meeting to be held on 27th February, 2019 to enable the Council Tax to be set by 11th March, 2019.

A Committee Member, referring to the Dinas Powys flood risk management project, queried why Natural Resources Wales (NRW) fund certain schemes such as this and some schemes were managed and partly funded by the Vale of Glamorgan Council. In reply, the Head of Neighbourhood Services and Transport stated that she did not have information relating to the Dinas Powys scheme, so she would ask the Engineering Manager – Environment to e-mail Members. The Head of Neighbourhood Services and Transport clarified that NRW did provide funding which was usually linked to main rivers. In addition, the Head of Regeneration and Planning commented that funding may relate to preparation of the initial feasibility study to see if upgrade works were required.

Further, and in relation to flood management schemes, a Committee Member referred to the scheme for Llanmaes, which had been delayed due to outstanding land ownership. The Committee queried whether this scheme would be completed next year. The Neighbourhood Services and Transport Member stated that this would be clarified.

In relation to the Community POD in Penarth, the Committee was advised that clarification of what a POD was would be sent via e-mail.

A general query was made around how capital projects were prioritised. In response, the Head of Neighbourhood Services and Transport Services stated that each year all departments submitted bids which were subject to a risk assessment process, with each scheme given a priority scoring. This was shown in paragraphs 25 to 28 of the report. She added that if bids were unsuccessful then the projects would not commence. She advised that other Directorates had bids in place that were statutory priorities while others were things that the Council would like to do. These were based on risk and what was likely to happen if these schemes did not go ahead. She stated that the main priority for her service area was road resurfacing, for which there was currently £700k in the Capital Programme for 2019/20. However she felt that more money was required. In relation to increased funding for roads that had been announced for England by the UK Government, the Committee noted that there had not been any announcement whether there would be a consequential benefit for Wales.

In reply to a query around new housing development and community improvement projects and the use of Section 106 monies, the Head of Neighbourhood Services and Transport stated the key aspect to this was the viability of new developments. She stated that Council departments did not work in "silos" and would communicate with each other around how money should be spent. She commented that despite all the new Housing developments, no extra money had been allocated for the collection of waste for the new houses. Further to these points, the Head of Regeneration and Planning advised that Section 106 monies could not be used to fund every day Council services such as road repairs. These monies were for a specific issue relating to the development. The Committee agreed that a piece of

work should be undertaken around the use of Council Capital receipts and the land/properties held by the Council, so that consideration could be given on how Council assets could be used. Members agreed that this would be a formal recommendation to the Corporate Performance and Resources Scrutiny Committee.

The Committee queried bid M5 – J-sub repairs. The Head of Regeneration and Planning clarified that this was a small electricity substation in Barry that was owned by the Council. This had developed a leak, and so repairs to waterproofing were required.

Clarification was provided around invest to save priorities. The Principal Accountant advised that this was a way to assign priority to a scheme, an example of this would be Council investment in LED street lights. He added that Appendix 3 provided more information on how schemes had been rated.

The Committee also queried capital receipts from the sale of Council land/properties. In reply the Principal Accountant advised that these receipts were held in a reserve, until they were needed to fund a specific project. The anticipated balance of this reserve for the next five years was shown in paragraph 38 of the report. In addition, the Head of Regeneration and Planning advised Members that some of the money from sales had already been earmarked. This included receipts following the development of the former St. Cyres School site in Dinas Powys.

A Committee Member sought clarification of the Rhoose Sustainable Transport scheme, and queried whether this was funded through Section 106 money. In reply, Members were advised that this would be checked and a reply sent via e-mail.

The Chairman, in summarising the debate, suggested whether the Committee should make a recommendation around the need to invest additional money for road resurfacing. This related to capital bid E1 – Carriageway resurfacing / Surface Treatments. The recommendation was agreed by the Committee, with it also being suggested that the extra money for road resurfacing to be earmarked from the Council's General Reserve.

Having considered the report, it was

RECOMMENDED -

(1) T H A T the Corporate Performance and Resources Scrutiny Committee pass on to Cabinet the Committee's recommendation that additional funding should be allocated for capital bid E1 Carriageway resurfacing / Surface treatments, with extra investment to come from the Council's General Reserve.

(2) T H A T the Corporate Performance and Resources Scrutiny Committee be requested to consider a future report outlining the use of Council Capital receipts and the land / property portfolio held by the Council, with consideration of how the Council's assets could be used.

Reasons for recommendations

- (1) In order for additional funding to be allocated for the capital bid - E1 Carriageway resurfacing / Surface treatments.
- (2) In order that the Corporate Performance and Resources Scrutiny Committee can consider the use of the Council's Capital Receipts and give consideration to the Council's land / property portfolio and how Council assets could be used.

570 INITIAL REVENUE BUDGET PROPOSALS 2019/20 AND REVISED BUDGET 2018/19 (DEH) -

The Principal Accountant presented the report the purpose of which was to allow the Committee to consider the Initial Revenue Budget Proposals for 2019/20 and to inform the Committee of the amended budget for 2018/19 for services which formed part of the Committee's remit.

The Council's budget was determined largely by the Revenue Support Grant (RSG) settlement set by the Welsh Government (WG). The provisional RSG settlement was received from WG on 9th October, 2018, with the final settlement due to be received on 19th December, 2018.

The Council was required under statute to fix the level of Council Tax for 2019/20 by 11th March, 2019 and in order to do so, would have to agree a balanced revenue budget by the same date. To be in a position to meet the statutory deadlines and the requirements for consultation set out in the Council's Constitution, much of the work on quantifying the resource requirements of individual services needed to be carried out before the final RSG settlement was notified to the Council.

Appendix 1 to the report set out the amended budget for 2018/19, together with the necessary adjustments to be made to the original budget.

The following table compared the amended budget with the projected outturn for 2018/19. Services were anticipating drawing down from reserves this year with the main areas outlined in the following table.

Service	2018/19 Original Budget £'000	2018/19 Amended Budget £'000	2018/19 Projected Outturn £'000	Variance (+) Favourable (-) Adverse £'000
Neighbourhood & Transport Services	25,518	25,194	25,509	-315
Unplanned use of reserves to fund overspend	0	0	(315)	+315
Building Services	0	0	0	0
Regeneration	2,075	2,065	2,065	0
Development Management	1,060	1,058	1,058	0
Total	28,653	28,317	28,317	0

Neighbourhood and Transport Services were currently projected to outturn on budget, however, there were some areas of concern to highlight and reserves would be utilised.

Within the Waste Collection Service there was still pressure on employee and transport budgets due to downtime involved in travelling to Cardiff to dispose of waste. There had recently been a change to the use of a site within Cowbridge for some elements of waste which was anticipated to decrease the level of downtime currently experienced. £200k had been set aside for 2018/19 within the Neighbourhood Services Reserve with an aim to offset this budget pressure. Due to an increase in treatment charges within the recycling market, primarily as a result of China's decision to reject elements of mixed recycling, there was also a pressure within the recycling treatment budget. Again funding had been set aside in reserves for 2018/19 to cover this pressure, however this was only a one-off funding stream and a cost pressure had been submitted for 2019/20.

The Reshaping Services savings target for Neighbourhood and Transport Services for 2018/19 was £951k. £375k of this saving related to the remaining balance to be found from the recent restructure within Neighbourhood Services. The restructure had been effective from 1st April, 2018 however, due to the timescales and notice periods required, some staff had remained in post longer than anticipated. This may have had some effect on the level of savings achievable. It was envisaged that the full £951k saving would not be made in this financial year and a shortfall of £315k was being reported. Plans for the remainder of the savings were currently being developed and would be reported to Cabinet in due course however the Neighbourhood Services Reserve would be required to meet any remaining shortfall in savings at year end.

Regeneration - This budget covered the Countryside, Economic Development and Tourism and Events functions. Although the forecast was again shown as a balanced budget at year-end, there remained concern over the income targets for car parking charges and commercial opportunities within the Countryside Division, where historic savings targets were unlikely to be achieved this year. Efforts would however be made to maintain a balanced budget by year-end, but the situation would need to be closely monitored.

Development Management - Planning application fee income had now fallen well behind target as at 30th September. Application fee income was difficult to forecast as there was no regular trend to track, but in the absence of any major applications being received this year it seemed unlikely that the current target could now be achieved. As there were underspends in staff costs and Building Control income remained buoyant, it was still anticipated that the overall position for this Division at year-end would be a breakeven position. The Section was also continuing to pursue the use of Planning Performance Agreements and other income generation initiatives such as pre-planning application advice to help support the regulatory process.

As part of the Final Revenue Budget Proposals for 2018/19, a savings target of £6.298m was set for the Authority. Attached at Appendix 2 to the report was a

statement detailing the projected progress against savings targets for 2018/19 for this Committee.

Each savings target had been given a RAG status. Green indicated that it was anticipated that the target would be achieved in full within the year, Amber indicated that it was considered that the saving in the year would be within 20% of the target and Red indicated that the saving to be achieved in year would be less than 80% of the target.

Neighbourhood and Transport Services - There was a savings target this year of £951k however it was currently anticipated that £636k would be achieved leaving a shortfall of £315k to be identified. Work was continuing to identify schemes to close this gap however any shortfall at year end would need to be funded from the Neighbourhood Services reserve.

As part of these initial proposals, it had been necessary to revisit the cost pressures facing services in order to build up a complete and up to date picture of the financial position of the Council and an updated list relating to this Committee was shown in Appendix 3 to the report. These were not shown in any order of priority.

Details of the proposed areas for savings for 2019/20 to 2020/21 for this Committee were attached at Appendix 4. The savings did not include the cost of any potential redundancies. Further work was ongoing to identify future projects that would realise savings for the Council via the Reshaping Service Tranche 4 process.

A summary of the base budget for 2019/20 for this Committee was attached at Appendix 5. This had been derived by adjusting the 2018/19 budget for items such as pay inflation and unavoidable growth, but did not include identified cost pressures or savings. These were shown as a note to the table and were further detailed in Appendices 3 and 4 respectively. Adjustments shown included the following:

- Asset Rents, International Accounting Standard (IAS) 19 - Related to accounting items outside the control of services. They reflect charges to services for the use of capital assets and adjustments in respect of pensions to comply with accounting standards;
- Recharges / Transfers - Related to changes in inter-service and inter Directorate recharges;
- Pay Inflation - This figure related to pay awards for 2019/20. The projection was based on the preferred option included in the report that was approved by Cabinet on 17th September, 2018 and was currently being consulted upon. Any further updates would be included as part of the Final Budget Proposals report. Currently due to the level of the projected shortfall no non pay inflation had been included for 2019/20.

Once the base budget for 2019/20 had been established, it would then be compared to the funding available to identify the extent of any shortfall. With a projected AEF of £151.923m and Council Tax at a current level of £69.573m, total available funding would be £221.496m. When compared to a base budget of £226.416m, this would result in a funding deficit for 2019/20 of £4.920m.

If all identified cost pressures were funded, this would increase the shortfall to £14.164m. If all proposed savings were achieved, the shortfall would be reduced to £10.420m.

Projected Budget Shortfall	2019/20
	£000
Funding Available	
Provisional AEF	151,923
Council Tax (Assumes no increase) *	69,573
Projected Funding Available	221,496
Base Budget	226,416
Projected Shortfall Against Base Budget	4,920
Assume all Cost Pressures Funded	9,244
Projected Shortfall with Cost Pressures Funded	14,164
Assume all Savings Achieved (including Schools)	(3,744)
Projected Shortfall	10,420

* This assumed no increase in Council Tax at this stage.

The shortfall above was also based on the assumption that the savings target of £3.744m set for 2019/20 would be achieved in full. However, a high proportion of these savings related to Reshaping Services schemes which reflected a new way of working and therefore required a lengthy period of time to implement. While all services were working towards achieving their 2019/20 targets, not all savings would be achieved in full for 2018/19. The potential for re-profiling savings would need to be assessed when setting the budget for 2019/20.

Further work would be undertaken by the Budget Working Group (BWG) in order to achieve a balanced budget for the final budget proposals for 2019/20. This would include a review of the use of reserves, a possible increase in Council Tax, a review of all cost pressures, possible changes to the approved saving targets, a review of the inflation assumptions and the current financial strategies.

The BWG would consider the results of the budget engagement process in determining priorities for future savings and service delivery.

The BWG would also ensure that budget proposals consider the requirements of the Well-being of Future Generations Act and the Council's four well-being outcomes as detailed in the Corporate Plan. They would also ensure that the budget proposals reflected the five ways of working which were:-

- Looking to the long term: The budget proposals were a means of planning for the future and should take a strategic approach to ensure services were sustainable and that future need and demand for services was understood.
- Taking an integrated approach: The budget proposals should consider and encourage ways of working with partners.
- Involving the population in decisions: As part of the budget proposal process there would be engagement with residents, customers and partners.
- Working in a collaborative way: The budget proposals should recognise that more could be achieved and better services could be provided by collaboration and this way of working in the future should be encouraged.
- Understanding the root cause of issues and preventing them: The budget process was proactive and would allow an understanding of the financial position so that issues could be tackled at the source during the process.

The next stage was for the estimates to be submitted to Scrutiny Committees for consultation. Committees were asked to review the level of cost pressures with a view to suggesting ways in which these could be managed downwards and / or mitigated and to consider proposals for savings. Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee would consider both the Initial Revenue Budget Proposals and any recommendations that other Scrutiny Committees had made. The responses of Scrutiny Committee must be made no later than 13th December, 2018.

The Committee noted that the Council Fund Reserve as at 31st March, 2019 was projected to stand at £13.634m. The possible use of this reserve would be considered by the BWG when setting the 2019/20 budget. The Section 151 Officer currently believed that the minimum balance on the Council Fund Reserve should be no less than £7m. This was considered sufficient to cover unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure could be substantial and several instances could occur in a year. Whilst there was no set requirement for the minimum level for the Council Fund Reserve, some commentators use 5% of the net budget as a guide. For the Vale this was about £11m. However, in view of the prudent approach the Council had taken with regard to specific reserves, £7m was considered a reasonable minimum.

The Committee requested clarification on how cost pressures were prioritised. The pressures were detailed in Appendix 3 to the report, and the Principal Accountant advised that the largest pressure was in relation to waste recycling, for which the contract had increased by £650k. He also outlined that there was a £300k cost pressure for the collection of waste from new housing developments. He went on to state that there was a balancing act, with the BWG looking at the level of reserves, but this would be only a short term fix, and so the Council had to look more long term. He also referred to saving projects such as the Car Parking Strategy.

A Committee Member referred to the Final Budget Position for the previous year and the same predictions regarding a budget shortfall which ended up in surplus. The Member wondered whether the same could happen for 2019/20. This led to the Committee discussing the level of Council Tax, with Members noting that the figure

for 2019/20 was an estimate of £69m, this was £2m more than the previous year and based on the number of home owners in the Vale.

In relation to cost pressure V1 and the waste recycling treatment contract, the Committee queried whether plans for this could be speeded up. In reply, the Head of Neighbourhood Services and Transport advised that this project would commence in the western part of the Vale (anticipated July 2019) and would be introduced on a phased approach to ensure the transition went smoothly. The Committee agreed that it would recommend for this project to be given priority status.

A Committee Member referring to the additional £550m funding for Wales from UK Government, asked whether there had been any indication of any extra money being allocated to Local Authorities in Wales, this being determined by Welsh Government. The Principal Accountant advised that no indication had been received. The Member also queried the assumption that level of funding for Local Government would continue to reduce post 2019/20. In reply, the Principal Accountant stated that given previous reductions in funding, the Council was being prudent and referred to a reduction in central funding of 1% and inflation of around 3%, which meant in real terms a 4% budget reduction.

With regard to future saving targets for Neighbourhood and Transport Services, the Head of Service stated that whether these were achieved was based on how palatable proposals were to Elected Members. Some areas being considered included; car parking, fare paying school transport, post 16 transport, bus support and grass cutting. These were discretionary services. She also advised that in terms of ways of generating income, there were rules in place of where some income could be allocated. She added that a report on fees and charges would be presented in the New Year to Cabinet and there were staff looking at commercial opportunities. With regard to his service area, the Head of Regeneration and Planning advised that savings proposals related to advertising spaces and the marketing of services for other local authorities. In relation to advertising space, a Committee Member suggested that billboards could be one possibility, with bus shelters being another.

The Committee discussed in detail the Council's reserves and the £7m minimum balance considered reasonable by the Section 151 Officer. The Committee also considered whether it would be appropriate for a rise in Council Tax. The Chairman referred to the project budget shortfall of £10.420m as outlined in paragraph 31 of the report. He highlighted that assuming that there was no rise in Council Tax, the projection against the baseline budget was a shortfall of £4.920m. If all budget savings of £3.744m was made the shortfall would be around £1.2m, which was on top of the total cost pressures of £9.244m. This gave the total projected shortfall of around £10.4m. The Chairman then stated that this was the worst case scenario, as not all cost pressures would be funded. He posed the question as to whether it was fair for residents to pay more in Council Tax, given that the Council held a general reserved of £13m, which was £6m above the minimum level of £7m set out by the Section 151 Officer.

In considering the use of reserves and potential Council Tax rise, some Members indicated reservations, particularly in relation to the need for the Council to be

prudent in having enough reserves available during times of crisis and also around the need to maintain current levels of services. A Member also commented that he preferred organisations to be fully funded and he recognised that reserves can only be used once. Another Member expressed concern that the use of reserves one year, may lead to greater savings being required the next. Further to these comments, officers issued words of caution, referring to the likelihood of major cost pressures being funded for Social Services and Education, and the budget settlement for last year was better than 2019/20.

The Committee considered a proposed recommendation put forward by the Chairman, requesting that Cabinet and the BWG give serious consideration to the level of reserves held in the Council Fund Reserve before costs were passed onto residents in the form of increased Council Tax. There was general consensus with Members that this be supported.

Members also felt that it was important for future Budget Proposal Reports to include an analysis of the previous year's funding and how much had been allocated to fund cost pressures. Members also requested an analysis of reserves over previous years so that trends could be identified. In addition, the Committee agreed that consideration should be given to ways that the Council could generate income through more opportunities from advertising and for future reports to include estimates of how much income could be generated.

Subsequently, it was

RECOMMENDED -

(1) T H A T Cabinet be advised of the Committee's view that cost pressure V1 and the waste recycling treatment contract should be fully funded to the value of £850k per annum and for this money to be allocated from the Council's General Fund Reserve.

(2) T H A T Cabinet and the Budget Working Group be advised of the Committee's view that serious consideration is given to the level of reserves held in the Council Fund Reserve before costs are passed onto residents in the form of increased Council Tax.

(3) T H A T future Budget Proposal Reports include a detailed analysis of the previous year's funding and outturn position including information on the amounts allocated to fund cost pressures.

(4) T H A T future Revenue Reports include an analysis of the Council's approach in generating income and for estimates to be included of how much income would be generated.

Reasons for recommendations

(1) In order for cost pressure V1 and the waste recycling treatment contract should be fully funded as the costs for this had risen.

- (2) In order that the burden for the funding of cost pressures are not passed onto Vale of Glamorgan Council Tax rate payers.
- (3) In order for the Committee to have a better understanding of previous year's budget arrangements.
- (4) In order for the Committee to assess the Council's approach around income generation.

571 QUARTER 2 (2018/19) PERFORMANCE REPORT: AN ENVIRONMENTALLY RESPONSIBLE AND PROSPEROUS VALE (MD) –

The Head of Regeneration and Planning presented the performance results for Quarter 2, 1st July to 30th September, 2018, for the Corporate Plan Well-being Outcome 2, "An Environmentally Responsible and Prosperous Vale". A detailed report outlining the progress for this quarter towards achieving Well-being Outcome 2 was provided at Appendix A.

It was reported that an overall Green RAG status had been attributed to the Well-being Outcome. At Quarter 2, 75% of Corporate Plan actions and 90% of Service Plan actions (where a RAG status could be attributed) were on track to be delivered.

In relation to the Objective "Promoting Regeneration, Economic Growth and Employment", 95% (20/21) of actions were on track for delivery giving an overall Green performance status. 88% (36/41) of the actions aligned to the Objective "Promoting Sustainable Development and Protecting our Environment", were attributed a Green performance status.

Members noted that there was a need to progress work around the following actions: Progressing the feasibility study for bus, cycling and walking improvements (NS/A003); implementation of the Re-fit (energy efficiency improvement) programme (FIT/A006); the review of Taxi Licensing Policy which had encountered delays due to guidance awaited from Welsh Government (SRS/A011); identifying funding to improve the National Cycling Network Route 88 (NS/A014) and the recruitment of volunteers for transport initiatives (NS/A009).

Of the 46 performance measures aligned to this Well-being Outcome, six measures could be allocated a RAG status. The remainder were annual measures to be reported at Quarter 4. For the measures where a RAG status was applicable, give met or exceeded target (Green) and one measure missed target by more than 10% (Red).

A RAG status had not been attributed to any of the 16 measures aligned to Objective 3 "Promoting Regeneration, Economic Growth and Employment"; as these were annual measures which would be reported at the end of the financial year.

In relation to Objective 4, "Promoting Sustainable Development and Protecting our Environment"; a RAG status was attributed to six out of the 30 measures. Five of the six measures were attributed a Green performance status and one a Red. The

measure that had missed target for this quarter related to the percentage of reported fly tipping incidents leading to enforcement activity (CPM/018). This continued to miss target due to the difficulties associated with tracing the offence back to the perpetrator. CCTV provision was currently being investigated as a means to improve performance in this area.

The Head of Regeneration and Planning clarified that introduction of the Community Infrastructure Levy had been put on hold by Welsh Government.

The Committee discussed the possibility of the Council opening up a “tip shop”. The Head of Neighbourhood Services and Transport confirmed that this was being looked into as a possible social enterprise. Members agreed that the idea should be looked into further and requested for a report to be presented in order to provide more information. In addition, it was agreed that a site visit would be arranged for Members to see a site in operation.

Subsequently, it was

RECOMMENDED –

- (1) T H A T the performance results and progress towards achieving key outcomes in line with the Corporate Plan Well-being Outcome 2 “The Vale of Glamorgan has a strong and sustainable economy and the local environment is safeguarded for present and future generations”, be noted.
- (2) T H A T the performance results and remedial actions to be taken to address areas of underperformance be noted.
- (3) T H A T the Committee receives a report providing further information on recycling re-use shops that had been set up by other Local Authorities.
- (4) T H A T a site visit to a waste recycling re-use shop be arranged for Members of the Committee.

Reasons for recommendations

- (1&2) Following consideration of the Quarter 2 Performance Report – An Environmentally Responsible and Prosperous Vale.
- (3) In order for the Committee to consider the feasibility for the Council setting up a waste re-use shop.
- (4) So that the Committee can see first-hand how a recycling / re-use shop operates.

572 STREET LIGHTING ENERGY REDUCTION STRATEGY UPDATE (DEH) –

The Head of Neighbourhood Services and Transport presented the report, the purpose of which was to provide an update on the implementation of the Street Lighting Energy Reduction Strategy – Option 3.

The report provided an update on the progress of implementing Option 3 and the investment of £1.2m in 2016/17 and £100k in 2017/18 and 2018/19 to dim existing LED lights at midnight and convert all residential street lights to LED which were also to be dimmed at midnight.

Prior to implementing Option 3, some 33% of Council street lights had already been converted to LED. There remained approximately 5,900 street lamps in residential areas throughout the Vale that would need to be changed as part of the Option 3 investment proposals.

Of these 5,900 street lamps, over 5,000 were estimated to comprise of conventional street lighting lanterns with either post top mounted or side entry mounted fittings to fix directly onto existing standard steel or aluminium street lighting columns. The remaining 846 lanterns were located on heritage, ornamental, decorative and cast iron street lighting columns and also include subway lights, bulkheads, floodlights etc. which could not be replaced with the conventional LED lanterns and required bespoke LED lanterns and fittings.

A further separate project to replace existing main road street lighting lanterns with LED was currently progressing with loan funding of £1,916,079 from Salix Finance Ltd. This was a two year project that commenced in April this year and was currently not anticipated to be completed until March 2020 when all street lights throughout the Vale would have then be converted to LED.

To manage the project in the most convenient and productive manner, it was decided to progress the project in two distinct phases. Phase 1 would include the conversion of all remaining conventional street lighting lanterns in residential areas to maximise the benefits identified of the switch to LED technology. Phase 2 would deal with the more bespoke arrangements required to convert heritage, ornamental, decorative and cast iron columns as well as subway lights, bulkheads, floodlights etc. This would require the review and investigation of specialist equipment available to meet the Council's specific requirements in terms of converting these lanterns which were unlikely to realise the same benefits of the standard lanterns given the technology available. Phase 2 would also incorporate the necessary work to dim all existing LED lights by 50% between midnight and 6:00 a.m.

The works to convert all remaining conventional residential street lights to LED subsequently commenced during the week commencing 26th February, 2018 in the eastern urban areas of the Vale and extend north and west to completion. All Ward Members were provided with a detailed street by street schedule of the works programme to fit the new LED lanterns in their Wards in February 2018. The conversion of conventional residential street lights throughout the Vale was substantially completed by the end of August 2018 at which time the installer

Centregreat Ltd. had installed 5,313 LED lanterns with approximately 53 not replaced due to overgrown vegetation from private properties restricting access to the lamp column or lantern. Arrangements were currently progressing to remove the vegetation and these outstanding works should now be completed by the end of the calendar year.

Works were currently progressing on the implementation of Phase 2 of the project to convert the remaining 896 heritage, ornamental, decorative and cast iron columns as well as subway lights, bulkheads, floodlights etc. to LED lanterns which existed in certain residential areas, including conservation areas within the Vale of Glamorgan.

There were currently some 268 cast iron or ornamental columns that could be directly swapped over to the conventional street lighting columns and utilise the conventional LED lanterns for continuity to match in with existing roads that have already been converted to LED under Phase 1 of this project. A further 50 cast iron lighting columns whose lanterns could not be readily switched to LED were required to be fully replaced in order to convert them to LED technology.

There were 20 bulkhead lanterns to replace with LED in The Mount, Dinas Powys. These lanterns were fabricated when the site was first developed and were bespoke only to this particular road. They were not a standard specification and it was intended to replace these bulkhead lanterns with the Council's current specification LED bollard lantern for consistency and ease of future maintenance and repair. The proposed changes would be notified to both residents and the Council's Planning Department before this change was undertaken.

It had been confirmed that 172 heritage style lighting columns located mainly in the Penarth area and Whitmore Footpath, Barry Island that could now be easily replaced with an off the shelf heritage style LED lantern as a direct conversion which needed to be procured in accordance with the Council's Financial regulations.

There were currently 204 cast iron columns with a swan neck bracket which were proposed to be replaced with the conventional LED lanterns. This would require cutting off the old bracket on the end of the swan neck and installing an adaptor for the conventional LED lantern. In the future, there would be a need to consider a rolling program to replace approximately 200 of these old cast iron columns with newer style columns subject to budget availability. The LED lanterns would be reutilised should such a replacement programme commence.

Within Penarth Marina there were 148 Saturn style or globe lanterns which were proposed to be directly swapped to a conventional LED lantern. This would require the replacement and / or modification of the existing bracket arrangement on the existing street lighting columns. These proposed changes would be notified to both the Residents Association and Ward Members prior to any works taking place. The Committee considered that it would be appropriate for the Operational Manager Engineering to meet with the Community Groups in Penarth, in order to advise them of the Council plans around changes to lighting.

Along the Barry Waterfront and Barry Island Promenade there were 205 bespoke style lanterns that required conversion to LED. Due to the style and costs to

procure these particular lanterns two options were being considered at this time. This included retaining the existing lantern and installing a retrofit gear tray / globe or alternately retaining the existing lantern globe and installing a bespoke LED lamp.

There were 41 subway, wall lights and flood lights throughout the Vale that required complete replacement with new LED units. These lights were site specific and would need to be individually assessed and new lights sourced to fit and suite the location.

There were currently 15 zebra crossing locations that required conversion of 30 no. lanterns to LED units. The design for this work had been completed and procurement would be carried out this financial year.

As the conversion of all conventional residential street lights to LED throughout the Vale was only completed by the end of August 2018, a detailed analysis had yet to be undertaken to understand the full energy and CO₂ savings achieved to date.

The previous report on 'Street Lighting Energy Reduction Strategy - Next Steps' assumed a 3% per annum inflation for projected energy costs year on year associated with Option 3. However, the unit rate for street lighting energy had increased from 1st April, 2018 this financial year from 12.69p to 13.65p per kWh. This represented an increase of some 8% which was significantly higher than the 3% per annum inflation originally projected.

Therefore, whilst the kWhs consumed indicated a considerable energy saving which was attributable to the ongoing conversion to LED, it was considered that the cost savings that would be achieved and the pay-back period for the investment as reported for Option 3 was unlikely to be fully realised at this time. A more detailed analysis of energy and cost savings would be carried out following completion of the final Phase 2 element of this project.

The reduction in CO₂ emissions was directly related to the energy consumed in kWhs and should therefore be unaffected by the price increases in the unit rate for street lighting energy.

The Chairman asked as a percentage, how much energy was the Council saving. In reply, the Head of Neighbourhood Services and Transport stated that per lamp about a third less energy was being used when compared to the old standard lamps that were previously used. The new lights were dimmed at midnight but remained on all night, so in actual fact the energy reduction was equalised.

It was

RECOMMENDED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T a further Street Lighting Energy Reduction Strategy Update be provided on completion of Phase 2, Option 3.

Reason for recommendations

(1&2) In order to update Committee on progress on the Street Lighting Energy Reduction Strategy.