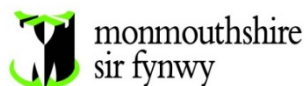


Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Mercher, 3 Ebrill 2019

Hysbysiad o gyfarfod:

Cyngor Sir

**Dydd Iau, 11eg Ebrill, 2019 at 2.30 pm,
Council Chamber - Council Chamber**

AGENDA

Prayers will be said prior to the Council meeting at 4.55pm. All members are welcome to join the Chairman for prayers should they wish to do.

Eitem No	Eitem	Tudalennau
1.	Ymddiheuriadau am absenoldeb	
2.	Datganiadau o Fuddiant	
3.	Cwestiynau Cyhoeddus	
4.	Cyhoeddiad y Cadeirydd a derbyn deisebau	1 - 2
5.	Rhestr o Gynigion	
5.1.	Oddi wrth y Cynghorydd Sirol D. Batrouni Mae'r cyngor hwn yn nodi bod dim ond 17.9% o ddisgyblion Sir Fynwy sy'n derbyn Prydau Ysgol am Ddim sydd wedi cael 5 neu fwy TGAU gradd A* i C gan gynnwys Mathemateg a Saesneg. Mae'n rhwystredig ac yn siomedig bod y canlyniad hwn yn golygu mai Sir Fynwy sydd wedi cael y canlyniad gwaethaf i ddisgyblion PYADd yng Nghymru. Mae'r canlyniad hwn yn golygu bod y bwch cyrhaeddiad rhwng plant o gefndiroedd tlotach yn cael TGAU da, o gymharu â'u cymheiriaid gwell eu byd, bron yn 50%. Y bwch uchaf yng Nghymru. Felly, mae'r grŵp Llafur yn mynnu atebion gan y weinyddiaeth Geidwadol ynghylch pam y maent yn parhau i siomi rhai o'n plant mwyaf agored i niwed a hefyd yn gofyn i'r staff perthnasol o'r GCA siarad â'r cyngor llawn am eu rôl yn y canlyniad ofnadwy hwn.	
6.	Adroddiad Blynyddol Swyddfa Cyngor ar Bopeth Sir Fynwy	3 - 4

	I roi cyfle i'r Aelodau drafod y gwaith a gofyn cwestiynau i Brif Weithredwr Cyngor ar Bopeth Sir Fynwy, sy'n rhoi cyngor i bobl leol, a'i gyfraniad at ddiben y Cyngor o adeiladu cymunedau cynaliadwy a chadarn.	
7.	PARODRWYDD AR GYFER BREXIT	5 - 10
	Darparu gwybodaeth y diweddaraf i'r Aelodau yn unig ynghylch pa mor barod yw'r Cyngor ar gyfer Brexit.	
8.	Adroddiad y Prif Swyddog Adnoddau:	
8.1.	Cwmni Datblygu Arfaethedig - Gwerthusiad Cychwynnol	11 - 32
9.	Adroddiad y Prif Swyddog Menter:	
9.1.	MonLife - y Diweddaraf	33 - 100
10.	I gadarnhau cofnodion cyfarfodydd y Cyngor Sir ar 3ydd Mawrth 2019	101 - 106
11.	I nodi cofnodion canlynol cyfarfodydd y Pwyllgor Gwasanaethau Democrataidd:	
11.1.	3ydd Rhagfyr 2018	107 - 110
11.2.	7fed Ionawr 2019	111 - 112
12.	I nodi cofnodion cyfarfod y Pwyllgor Archwilio a gynhaliwyd ar 31ain Ionawr 2019	113 - 118

Paul Matthews
Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Cynghorwyr Sir:

P. Clarke
D. Batrouni
J.Becker
D. Blakebrough
L.Brown
A.Davies
D. Dovey
L.Dymock
A. Easson
R. Edwards
D. Evans
M.Feakins
P.A. Fox
R.J.W. Greenland
M.Groucutt
L. Guppy
R. Harris
G. Howard
S. Howarth
R.John
D. Jones
L.Jones
P. Jones
S. Jones
S.B. Jones
P. Jordan
M.Lane
P. Murphy
P.Pavia
M. Powell
J.Pratt
R.Roden
V. Smith
B. Strong
F. Taylor
T.Thomas
J.Treharne
J.Watkins
A. Watts
A. Webb
K. Williams
S. Woodhouse

Gwybodaeth Gyhoeddus

Mynediad i gopiau papur o agendâu ac adroddiadau

Gellir darparu copi o'r agenda hwn ac adroddiadau perthnasol i aelodau'r cyhoedd sy'n mynychu cyfarfod drwy ofyn am gopi gan Gwasanaethau Democrataidd ar 01633 644219. Dylid nodi fod yn rhaid i ni dderbyn 24 awr o hysbysiad cyn y cyfarfod er mwyn darparu copi caled o'r agenda hwn i chi.

Edrych ar y cyfarfod ar-lein

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i www.monmouthshire.gov.uk neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

Y Gymraeg

Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd drwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn gyda dyledus barch i chi roi 5 diwrnod o hysbysiad cyn y cyfarfod os dymunwch siarad yn Gymraeg fel y gallwn ddarparu ar gyfer eich anghenion.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Ein diben

Adeiladu Cymunedau Cynaliadwy a Chydnerth

Amcanion y gweithiwn tuag atynt

- Rhoi'r dechrau gorau posibl mewn bywyd i bobl
- Sir lewyrchus a chysylltiedig
- Cynyddu i'r eithaf botensial yr amgylchedd naturiol ac adeiledig
- Llesiant gydol oes
- Cyngor gyda ffocws ar y dyfodol

Ein Gwerthoedd

Bod yn agored. Rydym yn agored ac yn onest. Mae pobl yn cael cyfle i gymryd rhan mewn penderfyniadau sy'n effeithio arnynt, dweud beth sy'n bwysig iddynt a gwneud pethau drostynt eu hunain/eu cymunedau. Os na allwn wneud rhywbeth i helpu, byddwn yn dweud hynny; os bydd yn cymryd peth amser i gael yr ateb, byddwn yn esbonio pam; os na allwn ateb yn syth, byddwn yn ceisio eich cysylltu gyda'r bobl a all helpu - mae adeiladu ymddiriedaeth ac ymgysylltu yn sylfaen allweddol.

Tegwch. Darparwn gyfleoedd teg, i helpu pobl a chymunedau i ffynnu. Os nad yw rhywbeth yn ymddangos yn deg, byddwn yn gwranddo ac yn esbonio pam. Byddwn bob amser yn ceisio trin pawb yn deg ac yn gyson. Ni allwn wneud pawb yn hapus bob amser, ond byddwn yn ymrwymo i wrando ac esbonio pam y gwnaethom weithredu fel y gwnaethom.

Hyblygrwydd. Byddwn yn parhau i newid a bod yn hyblyg i alluogi cyflwyno'r gwasanaethau mwyaf effeithlon ac effeithiol. Mae hyn yn golygu ymrwymiad gwirioneddol i weithio gyda phawb i groesawu ffyrdd newydd o weithio.

Gwaith Tîm. Byddwn yn gweithio gyda chi a'n partneriaid i gefnogi ac ysbrydoli pawb i gymryd rhan fel y gallwn gyflawni pethau gwych gyda'n gilydd. Nid ydym yn gweld ein hunain fel 'trefnwyr' neu ddatrysyr problemau, ond gwnawn y gorau o syniadau, asedau ac adnoddau sydd ar gael i wneud yn siŵr ein bod yn gwneud y pethau sy'n cael yr effaith mwyaf cadarnhaol ar ein pobl a lleoedd.

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CHAIRMAN'S REPORT 28th February – 3rd April 2019

Thursday 28 th February 7 p.m.	Abergavenny Pantomime Company – Production of ‘Treasure Island’ The Borough Theatre, Abergavenny
Friday 1 st March 10.45 a.m.	Lord Mayor’s – St David’s Day Civic Service The Metropolitan Cathedral of St David, Charles Street, Cardiff
Friday 1 st March 7 p.m.	Forest of Dean District Council – Chairman’s Charity Dinner Bells Hotel & Country Club, Coleford
Friday 15th March 7 p.m.	Gwent Music – Chairman’s Charity Showcase Monmouth Comprehensive School
Tuesday 19 th March 7.30 p.m.	Monmouth School for Boys – Choral and Orchestral Concert Wyastone Hall, Monmouth
Thursday 21 st March 7.30 p.m.	HM Lord Lieutenant for Gwent - Supper Party
Friday 22 nd March	Gwent Music - Newport Spring Showcase Newport Leisure Centre
Saturday 23 rd March	Gwent High Sheriffs’ Community Fund ‘Your Voice, Your Choice’ Grant Giving The Bridges Community Centre, Drybridge Park, Monmouth
Saturday 23 rd March 6.30 for 7 p.m.	Ross-on-Wye - Mayor’s Charity Ball The Chase Hotel, Ross-on-Wye
Tuesday 26 th March 12 p.m.	Graham Cummings Funeral St Mary’s Priory Church, Abergavenny
Thursday 28 th March 3 p.m.	Ceremony of Declaration of the High Sheriff of Gwent, Dame Claire Clancy DCB DL The Sessions House, Usk
Friday 29 th March	HMS Monmouth visit to County Hall followed by Lunch
Saturday 30 th March 13.15 p.m.	HMS Monmouth Freedom Parade The Shire Hall followed by the Great Castle House
Saturday 30 th March 7.30 p.m.	Usk Choral Festival 2019 St Mary’s Church, Usk
Sunday 31 st March 4.30 p.m.	Usk Choral Festival 2019 Sessions House, Usk
Wednesday 3rd April	Chairman’s Charity Fashion Show The Three Salmons, Usk

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Monmouthshire County Citizens Advice Information Sheet

The Citizens Advice service assists people in overcoming their problems and to campaign on the issues when their voices need to be heard. We value diversity, champion equality and discrimination – we're here for everyone. We give free confidential advice which is independent and impartial. Advice is provided by paid staff and volunteers who are trained to give quality advice to an audited standard.

Our advice is available at four main offices in Abergavenny, Caldicot, Chepstow and Monmouth. Outreach is available in Abergavenny Community Enterprise, Gateway Credit Union in Bulwark, Raglan Village Hall, Tudor Gate Doctors Surgery and Usk Community hub.

Telephone advice is available to all the residents of the county Monday to Friday 9am to 5pm with recorded information outside of these hours. Telephone advice is also available in Welsh. The national number to call is 03444 77 2020. Advice is also available through the medium of webchat and through the national website adviceguide.org.uk

We maintain a website, Facebook page and twitter account which have regular posts of information for the public and these can be found at:

Facebook:
www.facebook.com/monmouthshirecounty cab

Twitter: @MonsCitizensAdv

Website:
www.citizensadvice.org.uk/local/monmouthshire-county/

Specialist advice in welfare benefits and debt through funding from the Welsh Government is provided across the county by appointment and we hope that this will continue in the future as it is a heavily used service and gives great benefit to the clients. The work done with these and other clients provides income for the community.

We continue to work closely with Gateway Credit Union, Shelter and the social housing associations as well as developing referrals with Women's Aid and Mind.

We are represented on the Financial, Economic and Digital Inclusion Partnership and contribute to their work. We also are members of the Gwent Association of Voluntary Organisation.

We also attend the Third Sector forums for Gwent as well as the MCC managed Joining Up Volunteering initiative and many different forums managed by Citizens Advice both regionally and nationally

We continue to recruit and train volunteers and though we lose some to new horizons we maintain a steady number in the county as a whole. We currently have 74 volunteers for the county. The training and opportunities we give to volunteers is beneficial to them, our organisation and the community as a whole.

Our aim will always be to provide a high quality, preventative and collaborative advice and support to the community and extend access to our services as resources allow. We would very much like to spread our outreach locations more widely but being able to do this is very resource dependent.

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SUBJECT:	BREXIT PREPAREDNESS
MEETING:	COUNCIL
DATE:	11TH APRIL
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To provide an information only update for Members regarding the Council's Preparedness for Brexit.

2. RECOMMENDATIONS:

- 2.1 For information only.

3. KEY ISSUES:

- 3.1 The UK has been a member of the European Union since 1973 however a series of issues raised concerns over the years, the latest of which was the Syrian refugee crisis which tested Europe's open-borders policy. In 2016, a referendum was held in the UK which resulted in 52% of the population voting to leave the EU.
- 3.2 On 29 March 2017, the UK Prime Minister wrote to the European Council President Donald Tusk, formally triggering Article 50 and so began the two-year countdown to the UK formally leaving the EU (commonly known as 'Brexit').
- 3.3 The UK has long been expected to leave the European Union at 11pm on 29 March 2019. However, following a House of Commons vote on 14 March 2019, the Government sought permission from the EU to extend Article 50 and agree a later Brexit date. The current position being that a 'variable' extension to Article 50 is now being sought with further outcomes being based on a series of 'indicative' votes. Depending on the votes outcomes can include: - Brexit with a deal; No deal Brexit; further extension. The situation remains fluid.
- 3.4 In preparing for Brexit Council Officers have undertaken the following tasks:
 - A Brexit Working Group made up of Officers from key service areas has been established, which is now meeting fortnightly and led by Frances Williams, Chief Officer Enterprise;
 - Political Leads are Councillor Peter Fox (Leader) and Councillor Phil Murphy (Cabinet Member Resources) whilst Paul Matthews (Chief Executive) represents Greater Gwent on the Welsh Government EU Preparedness Group.
- 3.5 **The reporting process is as follows:**
 - Officer Brexit Working Group established in December meets every two weeks;
 - MCC BREXIT specific 'Steady State' reporting ('Sit-reps') arrangements agreed and being implemented;
 - Central & WG Steady State Reporting structures now established and are 'live' with daily updates to MCC Senior Leadership Team prior to daily 'Sit-reps' being submitted to WG/

Cabinet Office via Gwent Police; (Council staff rotas are in place to support these arrangements);

- WLGA updates being sent directly to service areas and being actioned / shared as required.
- Council Officers attend the Gwent Local Resilience Forum (LRF) – Brexit remains on the agenda and there is a shared understanding of how Brexit risks impact partner agencies which are shared as necessary.

3.6 To date activities have included:

- The establishment of a [Brexit - Getting Ready webpage](#) for residents and businesses with relevant links to Welsh and UK Government pages;
- Raising awareness of the EU Settlement Scheme among the Council's EU citizens and staff. This has been done via the Council Intranet;
- Social media posts from the Council's Facebook and Twitter accounts, linking to the press release/Brexit Guidance section of the Council's website;
- A presentation from the WLGA in the form of a Member's seminar which was recorded for those Members who could not attend – delivered on Jan 15th 2019;
- LRF Brexit Risk assessments completed and endorsed by WG – captured as part of MCC specific Brexit Risk Register;
- Brexit & Business Continuity Preparedness - Presentations hosted for key Council Service managers and delivered on 12/13/14 & 18th March highlighting Brexit risks and business continuity mitigation strategies for services to consider/implement;
- Additional Welsh Government activities have included the acquisition of a warehouse in South East Wales to provide additional storage capacity for medical devices and clinical consumables to ensure there is a continuity of supply for Wales. Further information can be found [here](#).
- The Association of Directors of Education in Wales (ADEW) met on the 26th March and having consulted with all Directors of Education / Chief Education Officers, none has thus far reported any Brexit related issues impacting on the education services being provided. Directors of Education / Chief Education Officers or their representative have committed to participate in a weekly teleconference with Welsh Government's Deputy Director for Education Planning and Governance; daily rhythm reports are being provided at local authority level and all local authorities are aware that the ADEW Chair attends the Brexit Preparedness Advisory Group and that they may raise any issues or seek advice via this route;
- Welsh Government support for businesses has been increased to £450M to enable businesses to access capital funds as they manage the uncertainty of Brexit. Further information can be found [here](#).

3.7 Ongoing work includes:

- Continuing WLGA support for Local Authorities (LAs) of £1.2M to help with Brexit preparations of which are there two components:
 - **LA Corporate Capacity Support (£1m)** which equates to £45k per LA for a senior officer to undertake Brexit related activities they feel would be most effective in their area. If and where appropriate, depending upon the practical effects of a disorderly exit, consideration will be given by LAs in a region to decide to pool their allocations to undertake activity jointly, in line with the spirit of regional collaboration;
 - **WLGA Support Programme Phase II (£200,000)** - £60k for an ongoing programme of research and support of benefit to all LAs, to be determined via requests from Brexit Leads in LAs and agreed via the Brexit Preparedness Panel

and WLGA's Brexit cross-party political group; £90k for the appointment of two posts one Communications Officer and a Policy Officer post to support priority areas of work as they arise (e.g. Social Services, migration issues, Environmental Health/Trading Standards/regional funding); £10k for a further five all-Wales events on service-specific issues and £40k to enable appointment of time-limited commissions, using service/ subject experts as and when required

- Additional WLGA support has included the production of Brexit exposure dashboards for every LA, along with a regional analysis of the data. The four regional dashboards can be found [here](#).
- The continuous updating and monitoring of the Council's Brexit risk register;
- Direct liaison with local businesses to understand any particular issues they may be experiencing;
- Discussions with other regional councils about regional risks;
- Maintaining steady state reporting – and daily specific steady state reporting;

3.8 **Next steps include:**

- Further awareness raising of the EU Settlement Scheme among Council staff and Monmouthshire's EU citizen community;
- Further direct contact with Monmouthshire's business community, once further clarity is received;
- Attendance at the all Wales Local Authority Brexit Leads meeting on the 17th April;
- Continuing to follow Welsh Government and Welsh Local Government Association advice.

4. **Options Appraisal**

- 4.1 Although at the time of writing the Brexit date has not yet been set, it is essential that the Council is as prepared as possible. From a business continuity and local resilience perspective, doing nothing is not an option.

5. **EVALUATION CRITERIA**

- 5.1 Report for information only and therefore not relevant.

6. **REASONS**

- 6.1 The Brexit top risks for the Council include:

- No dedicated resource to carry out Brexit preparedness work;
- Workforce retention;
- Impact of Brexit on the agricultural sector and wider rural economy;
- Disruption to the Council's supply chain;
- Threat to EU funded projects/lack of clarity over future funding streams;
- Financial implications on budgets due to increased costs in relation to supply chain directly attributed to Brexit and continued austerity measures;
- Potential increase in immigration over short term - pressure on school admissions;
- Potential rise in social conflict and hostility - social cohesion;
- Medication / medical needs could be disrupted and;
- Impact on construction projects including 21st Century Schools projects due to availability of skilled trade.

7.1 Report for information only and therefore not relevant.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

8.1 Report for information only and therefore not relevant.

9. CONSULTEES

Senior Leadership Team

Cabinet

Council Members

10. BACKGROUND PAPERS

N/A

11. AUTHORS:

Frances Williams, Chief Officer for Enterprise

12. CONTACT DETAILS:

E-mail: franceswilliams@monmouthshire.gov.uk Mob: 07823 777862

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SUBJECT:	Proposed Development Company – Initial Appraisal
MEETING:	County Council
DATE:	April 2019
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

To consider the outcome of an initial appraisal into the feasibility and need the Council to set up its own trading company to undertake residential and commercial developments.

2. RECOMMENDATIONS:

- 2.1 To approve the findings of the initial appraisal and agree to the undertaking of a detailed business case to establish the proposed trading structure, financial viability and social outcomes.

3. BACKGROUND:

- 3.1 Full Council instructed officers to undertake an initial appraisal of the feasibility of the creation of a residential development company to tackle a concern around the lack of market and rental affordable housing. In the intervening period, officers have undertaken research on and met senior officers and advisors with comparable trading entities to establish the lessons learnt, legal frameworks, financial considerations and assess evidence of demand.

4 KEY ISSUES

- 4.1 The Local Housing Market Assessment in September 2018 highlighted the growing disparity in affordability of housing. The average house price in Monmouthshire stood at £307,600, the highest in Wales. The impact of this is for those that live and work in Monmouthshire earning a gross average of £25,360, owning their own home is unaffordable with earnings to value ratio of 12:1. For those that out commute the gross average earnings are £32,416 producing a 9:1 ratio and the same level of unaffordability. Private rental levels produced similar results. A sample of 249 marketed private rented houses were considered for the period June 2016 to June 2017. Of these only 7 properties fell within the Local Housing Allowance (used to determine housing benefit levels) and the majority would be unaffordable for households earning the average income. The escalation in house prices is being distorted in the south east of the County following the announcement of the removal of the Severn Bridge Tolls. Whilst Monmouthshire has seen an average rise in prices of 28% between January 2010 and May 2018, Bristol has seen a comparative increase of 37%, which has increased the attractiveness of the M4 corridor and resulting inward migration. This is particularly evident in Severnside who experienced

a house price increase of 18.6% between June 2017 and June 2018 and this trajectory is expected to continue in the short term.

- 4.2 Conversely the development of new builds on allocated sites has been slow, resulting in a projected shortfall of 504 properties by the conclusion of the current Local Development Plan in 2021. The Local Planning Authority has implemented measures to supplement new house building through the introduction of windfall sites that meet their prescribed eligibility criteria, which includes 35% affordable housing. It is acknowledged that development in Monmouthshire is constrained by a need to protect and conserve historic landscapes and views, ecology, infrastructure capacity limitations and land values. Combined these limit the supply of new housing and at a time of increasing demand serve to increase house process as demand continues to outstrip supply.
- 4.3 The lack of affordability and supply is not unique to Monmouthshire and is a problem that many authorities have chosen to tackle through an interventionist approach with the creation of their own wholly owned Housing Development Companies (HDC). Local examples include Bristol City Council's recently launched trading company, Goram homes with the intent of building 2,000 new homes. Similarly, Carmarthenshire County Council established Cartreficroeso, to unlock stalled or undeveloped housing sites and build out both market and HRA housing. Underpinning all of the models is the ambition to intervene in the supply chain by accelerating development and retaining financial value within the public purse. Clearly, this would be essential element of any company established by Monmouthshire, but in alignment with our Corporate Plan and Social Justice Policy, we would also want to maximise social value from any developments. At this initial stage we would expect these to consider carbon positivity through the implementation of renewable technologies as standard and where feasible turning properties into micro generating stations. We would also wish to consider electric vehicles, broadband infrastructure and explore varied methods of construction that would support the growth of local supply chains and upskilling of local communities. Clearly social outcomes will come at a financial cost; however, the retention of developers profit through the trading company will enable these decisions to be both possible and affordable.
- 4.4 The structure of a possible trading company will need to be determined through the development of the business case and the support of professional advisors with a proven track record in creating similar successful ventures. At this stage, however it is clear that the company will need to be wholly commercial to enable it to compete with the private sector on an equal footing. The Articles of Association, which embodies the values and the outcomes driving the company, are critical in determining the success of both the financial and social critical metrics and sufficient regard will need to be given to these in the next stage of the process. Typical models are companies limited by shares with the Council the only shareholder and therefore able to exert indirect control through the appointment of Directors as well as ensuring that any profits are pass ported back to support revenue and capital accounts.
- 4.5 The remit of the proposed DC will also need to be established. In the residential sector, this will be defining whether it intends to focus on private housing for both sale and rental or indeed, if it wants to compete in the same space as our existing Registered Social Landlords, (RSLs). Given that, a number of well-established RSLs serves Monmouthshire

we would propose that no intervention in this sector is necessary and that we focus on the private and intermediate markets only. In the commercial setting, we would expect to explore opportunities as they are presented and progress only those with guaranteed occupiers that align to the Councils LDP and the outcomes of the Future Economies work.

- 4.6 Initial work has been undertaken to establish both the potential opportunities and risks and these are outlined in sections 2 and 3 of the supporting initial appraisal. These will need to be further defined as the parameters and outcomes are defined and the proposed legal structures are determined. In order however to maximise opportunities it is evident that the preferred structure needs to be flexible, potentially a holding company model which will enable the company to create subsidiary companies to act as single purpose vehicles or joint ventures as the need arises and viability is proven.
- 4.7 Powers to establish a trading company are granted via s95 of the 2003 Local Government Act. This however does not diminish the requirement for an authority to have regard to its fiduciary duties particularly when relying on its well-being powers as set out in Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (Wales) 2006. The issue of state aid will need to be foremost in any relationship between the Council and its wholly owned company. To ensure compliance any lending from the Council to the company will need to be on commercial terms and from research to date a usual approach appears to be on lending at 2% above PWLB loan rates. This will also provide a revenue return to the authority, which ensuring statutory compliance.
- 4.8 The Council has a number of options when considering how to intervene in the housing market;

Do nothing – In essence, this would be to continue the existing practice of selling development land with no positive obligations to ensure compliance with procurement legislation. This would preserve the status quo and would not allow the Council to realise any financial or social value.

Sell the land with development obligations – This would enable the Council to specify compliance with affordable housing requirements and define specific outcomes, however in order to procure the development partner a formal OJEU compliant procurement process would need to be undertaken that could potentially further delay the delivery of sites.

Set up a Joint Venture – If there are positive obligations on the company, procurement legislation would similarly apply and an OJEU compliant procurement process would need to be undertaken. If there are, no positive obligations and the company will be managed and controlled, through the appointed directors, the Market Economy Operator Principle would apply and no procurement process will be required. However, control will be ceded to the company and the Council will need to rely on the Articles of Association to deliver its specified outcomes.

Establish a wholly owned trading company – In common with many other authorities this would appear to be the preferred method of delivery as the company will be wholly owned by the Council and the Articles of Association could be prescribed to ensure that it delivers

its financial and social outcomes. It also ensures that the Council as the owner retains all financial value. Conversely, it also means that the Council will retain 100% responsibility for risks arising from lack of profitability, downturn in the market, lack of pipeline etc.

- 4.9 In common with any fledgling company, in the initial years the Company will not be able to return a profit and will rely on a cash flow funded by the Council. This will place a revenue burden on the Council, which will need to be factored into the business case when considering the viability of this proposition.
- 4.10 The supply pipeline will be key in the successful establishment of the proposed company and will rely on the Council transferring its development sites at market value into this company, rather than realising a capital receipt through the traditional disposal mechanisms. To maintain a robust supply pipeline the company will need to acquire additional sites, which will involve recycling profit or additional borrowing to fund these acquisitions.
- 4.11 Given that the motivation behind the creation of this company is to improve and sustain the wellbeing of our communities by intervening in the local housing market, it is intended that the company will trade within its geographical boundaries for the first 10 years of its operation.

4. REASONS

- 4.1 The Council is now developing a proven track record in its commercial activities through the recent acquisitions of Castlegate and Newport Leisure Park. The creation of a wholly owned Development Company would enable the Council to further develop its commercial activity through the lens of a social investor. Specifically we could determine our accepted minimum financial return below that of a commercial developer. This would enable us to make clear decisions on carbon neutrality, fuel poverty, energy and utilities infrastructure and future proofing properties so that the product generates savings for the occupier, aligns with our well-being agenda and provides decent, quality and affordable housing for our local communities. The company will have a long-term investment in the communities created through the development of apprenticeships, supply chains and through the wider provision of services undertaken by the Council
- 4.2 The current market mechanisms are failing to meet demand and indigenous populations are increasingly being forced to re-locate as housing prices and rental levels become more and more unaffordable. This is particularly acute for young people and reflected in the outward migration of our younger demographic. This proposal would enable the Council to undertake development activities designed to speed up supply and meet design parameters that reflect the wider social justice agenda.
- 4.2 Whilst the initial appraisal supports the creation of the wholly owned company, the complexities of the proposal are yet to be defined which will require specialist advisors with a proven track record to support the next phase of work. It is anticipated that this work can be completed and reported back to Full Council by the end of the calendar year.

5. RESOURCE IMPLICATIONS:

- 5.1 The procurement of specialist advisors, to support the development of the business case and provide a proposed legal structure for the development company, will incur revenue expenditure. These costs will be managed within existing departmental budgets. To the extent that this is not possible Cabinet will be requested to approve retrospective earmarked reserve funding.
- 5.2 The proposed development company will be a revenue burden to the Council for the first years of trading given the need to acquire sites, the cash flow required to construct the properties and the time lag in deriving a return through sales or rentals. This will be quantified in the detailed business case and reported back in the report subsequently brought back to Council.

6. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

- 6.1 The proposal has considered the impact of the wellbeing agenda and is aligned to the principles of sustainable development.
- 6.2 This report is not anticipated to have any direct safeguarding or corporate parenting implications.

7. CONSULTEES:

SLT
Cabinet
Head of Legal Services
Head of Finance

8. BACKGROUND PAPERS:

Development Company – Initial Appraisal

- 9. **AUTHOR:** Debra Hill-Howells Head of Commercial & Landlord Services

10. CONTACT DETAILS:

Tel: 01633 644281
E-mail: debrahill-howells@monmouthshire.gov.uk



Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation</p> <p>Debra Hill-Howells Phone no: 01633 644281 E-mail: debrahill-howells@monmouthshire.go.uk</p>	<p>Proposal Name:</p> <p>Proposal to create a wholly owned development trading company</p>
<p>Name of Service</p> <p>Commercial & Landlord Services</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To ascertain the viability of established a wholly owned company to undertake residential and commercial developments. The residential developments would have a financial and social agenda, intervening in the housing market to provide increased supply and future proofing homes.</p>
<p>Date Future Generations Evaluation form completed</p> <p>25.03.19</p>	<p>Date Future Generations Evaluation form completed</p> <p>25.03.19</p>

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NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc


1. Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.





Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The proposal would involve the Council setting up a trading company which would then to draw upon the local supply chain for materials and the construction expertise. Developers profit would be retained by the public purse and recycled back into service provision. Design standards could be employed that maximize social value including carbon neutrality</p>	<p>This report is only in the feasibility stage a detailed business case will need to be developed which further explores these impacts and how best to maximize opportunities whilst mitigating risks and impact</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>It is anticipated that Carbon neutrality will underpin the ethos of the company through the implementation of renewable technologies, three phase energy for electric vehicle charging. It is however accepted that any development on greenfield sites will inevitably have a negative impact on the local wildlife and off setting policies will be explored.</p>	<p>As above</p>
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Affordable, quality housing is a key determinant in health and well-being. Ensuring that houses are well designed and provide essential supporting infrastructure to create and support sustainable communities is expected to be one of the driving principles of the new company</p>	<p>As above</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>Design principles and a social lens will ensure that we develop properties that strive to maximize both social and financial value. The company and the Council will have a long term legacy involvement through the management of stock and the services it provides</p>	<p>As above</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	We will work to develop local supply chains, utilizing local materials, reduce carbon emissions through the implementation of energy efficient and renewable technologies and where possible design properties to become positive contributors to the power grid.	As above
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Developments will ensure compliance with LDP policies around green space, amenity infrastructure and affordable housing designed to support local communities	As above
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The provision of affordable well designed energy efficient homes will create equity for those who are currently unable to live within the communities that they were born due to escalating rental levels and house prices. We will ensure compliance with affordable housing requirements.	As above

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 Balancing short term need with long term and planning for the future	The aspiration of carbon neutrality and power generating homes will underpin the delivery model through the provision of renewable technologies to mitigate the need for fossil fuels and grid consumption. We will explore new construction methods that build local renewable supply chains.	As above

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>Given that this will be a new venture working with delivery partners either through the provision of construction services, as equal partners or with RSL's will all be models that will be necessary. We will also engage with the Welsh Governments energy service to maximize our plans around carbon neutrality</p>	<p>As above</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>When undertaking a development the company will be required to listen to local views as part of the statutory process. We will also engage with PSB partners to maximize benefits within localities based on evidenced need</p>	<p>As above</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The purpose of the trading company is to intervene in a market where house prices are continuing to escalate and supply has failed to meet pace with demand. The Council does not have a track record of delivering residential properties, but it will develop a model to facilitate this working with experienced advisors and supply chain.</p>	<p>As above</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The proposal seeks to maximize financial value without compromising on its well being principles and social justice agenda. It will inevitably be challenging as capacity and skills need to be developed to put the theory into practice, but as evidenced though our commercial portfolio – we are more than capable of turning theory into practice to the benefit of our local communities</p>	

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link:<http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or alanburkitt@monmouthshire.gov.uk

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	Providing affordable housing for all age demographics, but may have significant benefits for younger people	Neutral	
Disability	Developments will be in accordance with planning and building regulation requirements.	Neutral	
Gender reassignment	Neutral	Neutral	
Marriage or civil partnership	Neutral	Neutral	
Pregnancy or maternity	Neutral	Neutral	
Race	Neutral	Neutral	
Religion or Belief	Neutral	Neutral	

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Sex	Neutral	Neutral	
Sexual Orientation	Neutral	Neutral	
Welsh Language	Neutral	Neutral	

Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance <http://hub/corporatedocs/Democratic%20Services/Safeguarding%20Guidance.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Neutral	<i>Neutral</i>	
Corporate Parenting	Neutral	Neutral	

5. What evidence and data has informed the development of your proposal?

- Local Housing Market Assessment – September 2018
- Report to Council in February 2019 detailing current position of the LDP and the expected shortfall
- Discussions with trading companies, professional advisors and attendance at a Westminster briefing.

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

Benefits

- The creation of a wholly owned trading development company will allow the council to increase financial value either through retention of the developers profit or a revenue stream from rented accommodation
- Applying a strong social ethos to the values of the company will ensure that the company remains aligned to the Council's social justice and well being agendas and positively contribute to the carbon neutrality target of 2030.

Negative Impacts

- The company will be competing with the private sector for sites and construction contracts.
- Risks associated with the property market and financial returns

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
Undertake a detailed business plan that considers the proposal in terms of viability and aspirations	By the end of 2019	Officer team (Peter Davies, Debra Hill-Howells, Matthew Phillips, Mark Howcroft)	

8. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	At the production of the detailed business case
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9. VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
	County Council	April 2019	

Executive Summary

Monmouthshire now finds itself in an unprecedented position. The removal of the tolls has led to increased levels of inward migration, which in turn has resulted in an escalation in house price with the average house price standing at £307,600 and a 9:1 average earnings to house prices. The median working age of a Monmouthshire resident is 48 compared to 34 in Cardiff and current predictions suggest that we will continue to see an increase in our older populations and the outward migration of our younger populations. Whilst it is impossible to predict all of the reasons behind the loss of our younger generations, it is reasonable to assume that a lack of affordable housing and employment opportunities are significant contributory factors. A separate report has been commissioned on the economies of the future, which is due to report shortly and form part of the evidence foundation for the preparation for the next Local Development Plan.

Acknowledging the significant role of providing an adequate housing supply chain, County Council tasked officers with undertaking an initial feasibility exercise to establish the potential to create an arm's length Housing Development Company (HDC) in common with other Councils in both England and Wales. In particular, officers were tasked with defining the potential opportunities and resulting risks, potential trading structures and initial guidance on the next steps.

A small officer group was established to undertake this review and their initial findings form the basis of this report. In summary it has been concluded that the creation of an arm's length company is a credible option to disrupt the housing market, in terms of the supply chain, development methodologies, tenure of occupiers, carbon footprint and both social and financial value. Critical to the success of the company will be the trading format, supply pipeline, capacity and clearly defined values and outcomes. Detailed work needs to be undertaken to define the preferred structure of the HDC, a pipeline of sites, potential development options including Joint Ventures (JV), alignment and delivery of Council's policies, social justice, financial viability, carbon neutrality and social outcomes. Initial work has considered broadening the scope so that instead of limiting the development to housing, commercial opportunities that align with our Investment policy should also form part of the Development Company (DC)

1. Strategic Case - Evidence of Need.

1.1 National Position

Nationally it is recognised that there is a housing shortage as demand continues to outstrip supply. Welsh Governments "Prosperity for All" national strategy seeks to build 20,000 affordable homes within its current term and low carbon homes underpins their newly launched Low Carbon Delivery Plan where energy efficient homes can tackle both fuel poverty and meet carbon neutral aspirations and align with the Well-being of Future Generations legislation. National policies have been implemented to support the housing market such as the removal of Land Transaction Tax on properties under £300,000 and Welsh Government's Help to Buy Wales, which helps buyers purchase new build homes up to the value of £300,000 with only a 5% deposit.

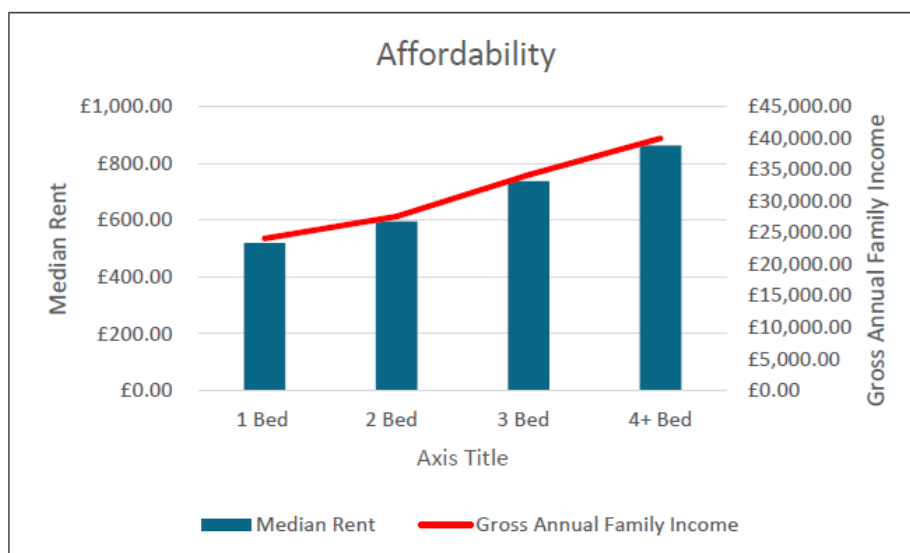
1.2 Monmouthshire Picture

Data provided by Hometrack indicates that average house prices in Monmouthshire have increased by 22.8% since November 2010, equating to an increase of £56,173 and in September 2018, the average house price was £307,600. There are local variations in growth between the towns, with not

surprisingly highest increases being achieved in the south of the County. Severnside experienced a growth of 18.6% between June 2017 and June 2018, coinciding with the UK’s government announcement of their intention to remove tolls on the Severn Bridges. Conversely, Chepstow saw a rise of 4.2% over the same period, but an increase of 33.4% since 2009. ¹ The recent differential is explained by the lack of new housing supply in Chepstow with only 8 new builds during 2016 and 17, which pushed buyers further down the M4 corridor to Caldicot and Newport. Due to the average earnings to house price ratio, Hometrack data indicates that 51% of 21-39 year olds living in Monmouthshire will be unable to purchase a property.²

The current Local Development Plan allocated sites capable of delivering 4,500 units by 2021. A report to Council in February 2019 identified a forecast shortfall of 504 properties, 38 off which are affordable. The forecast shortfall equates to 11.2% of the total planned delivery and approximately 2 years build out assuming current delivery rates.³ In addition, the current available housing land supply stands at 3.9 years rather than the prescribed 5 years. As a result, the LPA adopted a new policy in September 2018, which was further revised in February 2019, which enabled the consideration of “windfall” sites that would assist in recovering the shortfall so long as the sites meet 11 prescribed ground rules. This has resulted in the consenting of 130 units at Church Road in Caldicot and 111 in Raglan⁴, all of which are required to provide 35% affordable housing

An analysis of the Council’s housing register indicates that there are currently 2,071 households in bands 1 -4 in need of housing. The current LDP has a target of 960 affordable homes and in March 2018 only 374 of these had been constructed. The Head of Planning Housing & Place Shaping indicates that development is now increasing at pace as consented sites commence on site, however the shortfall remains. Even if the LDP were to meet its target, there would still be in excess of 1,500 households remaining on the waiting list. Further research needs to be undertaken to establish the level and type of demand for both private rented and market housing to define the extent and nature of the current latent demand which in term can be used to inform the delivery model of the proposed DC. In addition, research is needed to identify the need for policies such as key worker rented homes, where rentals are capped at below market value for those workers within the



targeted industries, a policy that could align with the future economies proposals.

The Local Housing Market Assessment also considered the availability and financial viability of the private rented sector in Monmouthshire.

¹ Local Housing Market Assessment 2018

² Local Housing Market Assessment September 2018

³ Addressing our lack of 5 year land supply, 21.02.19 report author Head of Planning Housing & Place Shaping

⁴ This application has been called in by Welsh Government and the outcome is awaited

It looked at marketed properties between September 2016 and September 2017 and identified 249 properties. It then considered number of bedrooms and rental levels and concluded that the majority of properties would be unaffordable for households earning either the Monmouthshire average of £32,416 (out commute) or £25,360 (working in Monmouthshire). The average rental level for two bedroom houses was £375 to £1,175 per calendar month and three bedrooms £550 to £1,095. Of the 249 properties, advertised only seven of them fell within the Local Housing Allowance rates, which in turn influences the available housing benefit and increasing the gap in affordability.

The evidence seems to support the need to intervene in the housing supply in the form of market housing and private rented and intermediate stock. Bringing forward market housing sites in compliance with the LDP would also facilitate the development of affordable housing. It is not proposed that the DC compete or replicate the role of the local registered social landlords (RSLs) as they are well established and have significant structures in place to manage the social housing stock. The DC would however compete with the trading arms that have been established by the RSLs, or could work with them in the form of Joint Ventures on a site-by-site basis.

2. Opportunities

2.1 Financial

2.1.1 Capital

Currently the Council disposes of its residential land on the basis of freehold disposals in compliance with S123 of the Local Government Act 1972. Whilst we would always undertake to de-risk the site by undertaking due diligence and where appropriate obtaining a planning consent, any sale will inevitably result in the developer factoring a developer's profit before determining how much they are prepared to pay for the land. This is typically in the region of 20 - 25% of the gross development value of the completed site and reduces the capital receipt.

RSL's are able to operate on a lower profit margin, but ultimately still need to realise a return. In the event that a DC is established, the developer's profit will be retained by the trading company and subject to the company structure and profitability will be pass ported back to the Council. Developer's profit in the form of capital will only be realised on those properties that are sold. Those that are let will instead realise a rental income and provide a guaranteed rent roll. Alternatively, a blended financial return could be adopted where market housing for sale is used to subsidise private rented or intermediate housing.

2.1.2 Revenue

The DC has the ability to retain completed residential or commercial properties to generate a revenue stream. Given that, this will involve the long-term management of residential rental properties it will need to consider establishing a separate wholly owned trading entity or provide these services through a JV or a private company. Commercial properties could be managed through the company or transferred back to the Council to be managed as part of its commercial portfolio. The rent received will need to meet the costs of borrowing, managing the assets including repairs and maintenance and generate a net profit. The standard tenancy agreement for the private rented sector are assured short holds which do not provide security of tenure beyond the length of the agreement which are typically between 6 and 12 months. Adopting a blended approach to ownership will enable the DC to have flexibility around either capital or revenue generation depended on the financial need. Holding rental stock will also allow the DC to benefit from a

revenue stream and potential capital appreciation, which would be realised in the event that the stock were subsequently sold.

As the DC would need to be established and provided with an initial funding stream, the Council would need to generate a return on any borrowing to ensure compliance with state aid rules. From discussions with advisors and those operating HDC's it would appear that the Council in on lending will need to charge a premium in the region of 2% or higher above borrowing costs, which will realise an additional revenue return to the Council.

2.2 Social

In accordance with its Social Justice Agenda, the DC should be aligned to the Council's wellbeing plan and carbon neutrality policies. Beyond policy delivery, the plan has the opportunity to deliver wider ambitions:

2.2.1 Supply Chain – The DC will work with SME's and RSL's to develop a robust local supply chain to enable the construction of the properties and the development of apprenticeships within the construction industry.

2.2.2 Energy - The provision of energy and broadband infrastructure can be tackled at source ensuring that the properties are future proofed with renewable technologies and appropriate electrical infrastructure to enable EV charging. Our ambition will be beyond carbon neutrality with carbon positive the standard where the grid permits.

2.2.3 Housing – The provision of affordable market homes available for sale or rent that are more affordable and reflect the latent demand that exists within our indigenous communities. We will have the ability to consider initiatives such as shared ownership, key workers that support the wider economic growth and sustainable development of our communities.

2.2.4 Construction Methods – The company will have the ability to explore alternatives to traditional construction techniques including modular build, turning homes into power stations and passive houses.

Clearly all of these aspirations will come at a cost and the detailed business case alongside the proposed articles of association, values, company objectives and target financial return will need to be determined. The DC will provide the Council with an opportunity to deliver its social justice agenda and define a delivery model that will ensure a higher standard of home, which places social value in alignment with financial returns and fully embodies the principles of the Well-being agenda.

3. Risks

In our due diligence to date, the following have been identified:

Lack of capacity or experience to develop viable trading model	There are many examples of HDC's established by Councils and we have already engaged with some of these. We would need to ensure that we appoint appropriate advisors with a proven track record, continue to talk to other HDC's and develop internal expertise.
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<p>The Development Company will not generate any income in its initial trading period and will therefore generate an additional revenue burden to the Council</p>	<p>In order to make the company viable a payment holiday will be necessary, however the debt will need to be serviced – placing a short term financial burden on the Council. This could be mitigated by placing the servicing debt on the commercial property estate – if capacity exists. Alternatively, the borrowing costs will be built into the MTFP and subsequently fully recovered from the company.</p>
<p>Reputational risk of non-delivery</p>	<p>In the event that a DC is established a pipeline of sites would need to have been identified and site appraisals etc. commenced to ensure that they are financial viable and meet the social goals. In addition, discussions with potential construction/development partners would need to be undertaken to ensure that there is construction capacity and the financial consequences were understood.</p>
<p>Lack of supply pipeline</p>	<p>Two possible sites have been identified. In addition candidate sites have been submitted to the LDP process and the DC would have the capability to acquire additional land holdings</p>
<p>Change in local authority financial regulations</p>	<p>Funding could be secured through private investors. This would need to be assessed on a site by site basis to maintain financial viability</p>
<p>Trading structure</p>	<p>The detailed work has yet to commence, however it is anticipated that there will be a holding structure with the ability to expand with the creation of JV's or single purpose vehicles such as a housing management company</p>
<p>Delayed or Lack of financial return</p>	<p>There will inevitably be a time lag between forward funding, build out and the realisation of either capital or revenue return. Repayments for on lending could be staged to align with development programmes. Business cases will need to be prepared on each site and monitored through the build out face to monitor sale and rental values as well as construction costs and professional fees.</p>
<p>Failure of development partners</p>	<p>A robust evaluation procedure will be adopted which will consider track record, financial standing and capacity. In addition, safeguards will be built into legal agreements and retentions, but it must be accepted this cannot be completely eliminated.</p>
<p>Fail to meet social agenda</p>	<p>A basket of options will need to be developed which consider energy, technologies, construction methods, supply chain development, up skilling of communities.</p>

Lack of expertise to run the company	The structure and format has yet to be determined but is likely to be made up of a blend of secondments and external appointments. Attractive packages will be needed to attract individuals with the appropriate values and skill sets.
Lack of demand for products completed	Further research is needed on market demand, alongside alternative construction methods and mortgageability of products – particularly those that will be power generators (through renewable technologies), three phase electricity supplies and combined heat and power opportunities. Alongside discussions will be needed with network providers, planners and technology providers
Lack of profitability due to external factors such as brexit, recession etc.	Whilst these can never be eliminated, the market cycle and governmental policy can be monitored. There can be flexibility built in as market housing can instead become rented and any commercial developments will not have been undertaken without a secure occupier with cap and collar leases.

4 Constraints

4.1 Legislative Framework

Wellbeing Powers are provided through Section 2 of the Local Government Act 2000, gives local authorities the power to do:

- 1) Anything which they consider is likely to achieve any one of the following objects:
 - (a) The promotion or improvement of the economic well-being of their area,
 - (b) The promotion or improvement of the social well-being of their area, and
 - (c) The promotion or improvement of the environmental well-being of their area

Section 2 (4), of the act provides local authorities with the ability to incur expenditure, give financial assistance, enter into arrangements or agreements and provide goods services and accommodation.

Power to trade - Alongside its wellbeing powers, the Council has the ability to establish trading companies via S 95 the 2003 Local Government Act. Subsequent legislation in the form of regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (Wales) 2006, requires local authorities to have regard to their fiduciary duty to council taxpayers if undertaking trading activities. We would expect any development company to be financially viable in addition to yielding a social return and this will be tested in the development of the detailed business case.

The power to borrow is provided via S1 of the 2003 Local Government Act. This determines that borrowing may be undertaken:

- (b) For the purposes of prudent management of its financial affairs provided it does not exceed its affordable borrowing limit under s.3 Local Government Act 2003 (s.2 (1) and 2(4))

4.2 State Aid

If the preferred model is a wholly owned fully commercial company, any on funding by the Council to the DC will need to be at a commercial rate to ensure compliance with state aid. From work undertaken to date, current on-lending rates are circa 2% above Council PWLB rates, which ensure compliance and create a revenue profit. In adopting this model, the DV would need to bid for any services that it wished to provide the Council, however given the model is designed to undertake development contracts on land within its control this is not considered a significant issue.

4.3 Funding

It is anticipated that the DC will be established utilising funding from the Council, which in turn will be realised through prudential borrowing. In the initial set up and trading period, the company will not be returning a profit and therefore unable to service the initial borrowing costs which will increase the revenue burden for the Council. The implications of this will need to be considered within the detailed business case.

4.4 Land Supply

The land supply will be provided in the first instance from assets held by the Council. These will need to be transferred to the DC at market value to ensure compliance with S123 of the LGA and State Aid rules. It is anticipated that the Council may wish to phase the release of assets to the company to mitigate risk, ascertain evidence of successful delivery and mitigate the borrowing costs to the DC. As the DC establishes land may be acquired from third party owners dependent on availability and the outcome of the submitted Council sites through the current LDP process.

4.5 Capacity and Expertise

In order to progress into a detailed business case, additional external expertise will be required. It is anticipated that advisors will consider the legal trading structure, the financial viability of the proposition and an analysis of the initial pipeline to determine viability. Funding will need to be approved to enable this to be progressed and is included within the Council report.

5. Trading Format

There are a number of options available that would deliver the Council's aspirations to increase house building whilst realising a financial and social return. These can be summarised as follows

5.1 Disposal of land with contractual obligations

The Council could continue to dispose of its land albeit with development constraints that could be built into the contractual documentation. We would however need to consider the impact of the Faraday case law⁵, which confirmed that the sale of land with any positive development considerations is to be treated as a procurement for a public works contract, which falls within OJEU procurement regulations. This has the potential to delay developments rather than accelerate them.

5.2 Joint Ventures

The procurement of a JV between the Council and a private sector partner could be undertaken and may be subject to an OJEU procurement dependent on the nature and value of any positive obligations imposed on the partner and the level of co-investment. Where a co-investment model is

⁵ Faraday Developments Ltd v West Berkshire Council (2018) EWCA Civ 2532

adopted without any positive obligations in line with the MEOP⁶ approach, no OJEU procurement would be necessary, however the Council would need to rely on control mechanisms through the appointment of Directors and Articles of Association. If however the DC were established as a fully commercial entity, they would be in a position to enter into a JV without being subject to the procurement regulations.

5.3 Wholly Owned Development Company

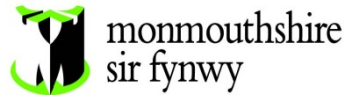
This is method largely adopted by other Councils. It is envisaged that the Council would establish a holding structure, which would enable it to flex as opportunities arise. There are different trading models including companies limited by guarantee or shares and Limited Liability partnerships (LLP). The preferred delivery mechanism will need to be established following due diligence alongside professional advisors. Crucial to these deliberations will be the ability to pass port profits from the company to the Council, the management of risk, tax considerations, Articles of Association and flexibility.

6. Next Steps

It is proposed that the Council progresses into the development of a detailed business case that considers the following;

- Outcomes and Values
- Preferred trading format and legal structures
- Articles of Association
- Success Factors
- Minimum required social return for each development – this needs to consider carbon neutrality, construction methods and supply chain.
- Minimum required financial return
- Supply pipeline
- Demand analysis

⁶ Market Economy Operator Principle – commercial vehicle with equal equity and control between both investors



SUBJECT: MONLIFE - UPDATE
MEETING: COUNCIL
DATE: 11th April 2019

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

1.1 To advise Council that the preferred model for ongoing delivery of Tourism, Culture, Leisure and Youth Services is an in-house model with commitment to a fundamental programme of renewal and transformation.

2. RECOMMENDATIONS

2.1 Council agrees not to progress with externalising Tourism, Culture, Leisure and Youth Services but to retain services in-house with a commitment to a fundamental programme of renewal and transformation.

2.2 Council recognises a requirement for a wide ranging policy review process to be conducted to create an operating environment that optimises the MonLife service group capability of moving to a sustainable model for delivery. This work to be concluded by the Cabinet Member with portfolio by the summer of 2019.

2.3 Council agrees to adopt the Ealing ruling and treat our VAT on sporting facilities as exempt.

2.4 To acknowledge the Cabinet Members intention to establish an external Advisory Board working with him to continue to bring fresh insight to the service area. Existing members of the shadow board established to take MonLife forward will be invited to join this Advisory Board to continue their valuable engagement with the service area where they wish to do so.

2.5 To recognise that the Chief Executive will be giving consideration to senior officer reporting arrangements to ensure that the service group has heightened exposure to and involvement in whole organisation decision-making.

2.6 To be aware of the Cabinet Members intention to commission work to develop a multi-year capital investment strategy for the service group for future consideration by Council.

3. KEY ISSUES:

- 3.1 In March 2017, [Council](#) agreed to progress both an Alternative Delivery Model (ADM) and 'Transform in House' model to determine the best approach for services. The proposed services being delivered within the ADM branded as MonLife included Leisure, Outdoor Education, Youth Service, TIC Chepstow, Attractions, Museums, Countryside, Green Infrastructure, Strategic Tourism and Play.
- 3.2 In January 2018, Cabinet approved the Full Business Case, Business Plan and associated reports to inform the establishment of a new entity - MonLife. Cabinet also agreed to receive a fully developed initial five-year Management Agreement, inclusive of a complete Evaluation Matrix and a detailed Governance Framework - to be considered at a meeting of Full Council prior to enactment of the ADM.
- 3.3 Subsequently, at Council in February 2018, Council approved that £155,000 be drawn from the priority investment reserve to fund 'start-up activity for the ADM and recognised provisions that were required within the medium term financial plan.
- 3.4 In June 2018, [Cabinet](#) approved the process stages required, ahead of a final decision to enact the MonLife company. This included the recruitment of a Shadow Company Board. Shadow structures were to remain internal advisory bodies until such time as the final Council decision was taken.
- 3.5 In July 2018, [Council](#) approved the proposed Governance arrangements for the Mon Life group of companies, to include a Charity and Teckal (MCC owned) with trading subsidiaries, in order to initiate the shadow recruitment process of Company Directors. These actions were prior to the then proposed final Council consideration in October 2018 originally scheduled to endorse the transfer documentation and the fully developed five year management and funding agreements and subsequently to enact company operation in December 2018.
- 3.6 Whilst Council Officers have been assessing the case for change for many months, in January 2019, the Council appointed legal advisors, Bevan Brittan to provide an analysis of the legal implications for MCC of the future provision of services via the proposed alternative delivery model – MonLife, an appraisal of MonLife's draft Grant Agreement and the draft Service Agreement for MonLife Plus (Teckal) and the Support Services Agreements between MCC and MonLife; a risk analysis of the proposed commercial opportunities contained within the business case with respect to the potential implications for the Council; along with employment and pension implications and legal support and assistance for the in-house team in the negotiation of commercial positions in the interests of MCC when required.

3.7 In tandem to the above, Council Officers undertook a detailed financial analysis of the business benefits of moving the services to the ADM model.

3.8 To aid the analysis, success criteria were drawn in line with Council priorities against which any future delivery model for MonLife services were assessed. This analysis is detailed in Table One below:

Table One: Success Criteria

Council Priority	Success Criteria
Supporting an active and healthy Monmouthshire and a healthy lifestyle	The Council is facing significant challenges with an ageing population, increasing levels of obesity and inactivity, all of which are increasing the financial and demands on both Education and Social Services. The value of a positive first 1,000 days of a child's life has significant correlation between achievement and intervention levels in later life. Physical inactivity is the fourth leading cause of ill health in the UK and spending on the NHS is recorded at £1,000 per second on dealing with preventable ill health.
Access to Services	The Council has recognised that access to local services is one of its priorities however it also understands that under the current financial environment, delivery of these services is becoming more challenging.
Well being	These services are the dominant providers of a whole range of community culture, sports and leisure facilities, from outdoor education, youth, museums and attractions, tourism, country parks to rights of way. Increasingly these services are seeking to achieve wider objectives and prevention of ill health, social isolation and mental health issues and focusing on the wellbeing of their local community.
Affordability & Improved financial performance	<ul style="list-style-type: none"> • In response to continued central government dis-investment in the public sector, local authority services need to be delivered with reduced financial resources; • Increased flexibility and agility; • Freedom to market and trade services; and • Access to funding and tax efficiencies currently outside the scope of the Council; and offering higher levels of engagement and achieve economies through collaboration and partnership in line with the Wellbeing and Future Generations Act Wales.
Sustainability of service provision	Services need to be maintained into the future.
Increase flexibility and agility in responding to needs and change	Policies and procedures within the Council provide the services with the ability to deliver.
Improved quality	Improve services through innovation & a culture of enterprise.
Greater service efficiency	Introduce lean processes that reduce duplication of effort & increase use of technology & self-service, making it easier for residents to access services and obtain information and advice.
Increased productivity	Empower and motivate staff thus raising productivity.

4. OPTIONS APPRAISAL

4.1 The Appraisal in Table Two below provides a very high level summary of some of the main advantages of the ADM model set against some changes / mitigations that could be achieved if the services remain in-house. Although an initial options assessment was undertaken in March 2017, the financial, taxation and legal landscape has changed quite significantly since this time. A mix of financial and non-financial criteria have been re-assessed based on the success criteria detailed in Table One above.

Table Two: Options Appraisal

ADM Model – advantage	Transform In House - mitigation
<p>Financial:</p> <ul style="list-style-type: none"> • NNDR benefits to the Council; • Gift Aid benefits to MonLife. • Charitable status opens up funding streams currently inaccessible to public sector however HLF and other funding streams are becoming more difficult to obtain. 	<ul style="list-style-type: none"> • NNDR benefits lost; but for how long? • Successor to EU funds, UK Shared Prosperity Fund, likely to offer up new opportunities; • Relative to the overall funding envelop these changes could be material but not fundamental. • Residual responsibility for a malfunction of business plan would still lie heavily with the Council.
<p>Commerciality:</p> <ul style="list-style-type: none"> • Trading Arms present opportunities to increase commercial income streams; • Commercial ethos amongst staff will enable an ability to be ‘fleet of foot’ and access new revenue opportunities quickly. 	<ul style="list-style-type: none"> • Retain MonLife Advisory Board commercial experience of Members will bring added benefit and a commercial flair to MonLife; • Suitable revision of Council policies can enable speedier decision making and commercial flexibilities. • The Commercial ethos of the Council and its staff has developed and continues to grow in strength. • Additional confidence through delivery of Monmouth Leisure Centre
<p>Risk Appetite</p> <ul style="list-style-type: none"> • The Council can have a tendency to be risk averse and decisions are highly scrutinised. 	<ul style="list-style-type: none"> • A commercial ethos will need to be developed to deliver, take calculated risks, and be responsive. • The Council is now an ‘investing Council’ and has the portfolio to evidence this assertion.

<p>Staff</p> <ul style="list-style-type: none"> Local authority pay restrictions would not apply & this could result in staff incentive pay to drive performance. Greater freedom to act. 	<ul style="list-style-type: none"> Greater flexibility afforded to staff following relevant policy changes likely to boost staff morale and increase productivity; this will be a key condition of the new transform in house model; Residual concerns about changes to terms and conditions avoided.
<p>Control</p> <ul style="list-style-type: none"> Moving to ADM would free MonLife from Council control giving license to set service delivery, direction etc within confines of an agreed Grant Management protocol. . 	<ul style="list-style-type: none"> Retention of services offers opportunities for business transformation and team building activities.

4.2 In addition to this analysis an assessment of the benefits, dis-benefits and risks of the two models has also been undertaken and is provided within Appendix C.

4.3 The proposed business plan for the MonLife ADM model (Appendix D) has been utilised as a part of this consideration alongside the draft management and contractual agreements.

5. REASONS:

5.1 The conclusions drawn from the various assessment activities undertaken are as follows:

- a) The financial case to move to an ADM offers only marginal benefits to the Council and is heavily reliant on NNDR savings. As part of a wider taxation reform agenda there is an increasing level of risk that this favourable taxation treatment for leisure trusts is removed. The gain is not substantial enough to justify the energy that will need to be invested to realise it.
- b) The proposals within the business plan for income generation and growth can largely be developed whilst within the Council and do not require a trust and teckal model to deliver sustainable services.
- c) Recent changes in accounting for VAT has resulted in a financial algorithm which favours a 'Transform in house' model rather than an ADM. If services are to be transformed in-house the Council will look to adopt the 'Ealing ruling' resulting in services involved in the provision of sporting facilities now being treated as exempt from VAT when previously they were standard rated. This will have a direct and immediate benefit and consequence to leisure revenue budgets (circa £250k per annum). The Authority will however have wider considerations to ensure it doesn't breach its VAT partial exemption threshold.
- d) The Council's reinvigorated transformation agenda with a renewed focus on commerciality, digital approach, data analysis etc. means that the Council is now in a much better place than in previous years to deliver the success criteria required in house, rather than externally;

- e) There is an opportunity for radical transformation within the Council setting which supported by a 5 year capital investment plan can continue to play a direct role in the continued delivery of services at a local and regional level. Early evidence from the re-provision of Monmouth Leisure Centre is compelling about the Councils ability to provide a commercial high quality offer if it is minded too.
- f) The Council and Public Service Board policy agenda continues to move towards health, activity and prevention. Introducing an organisation separation into this is not likely to be helpful to the Council moving forward. In addition, the Welsh Government's renewed intent to address the Well Being and Future Generations agenda means the Council is as well placed than an external company to control and influence social benefits etc.
- g) The Council's recent acquisition of the Newport Leisure Park along with the recent upgrade and consequent success of Monmouth Leisure Centre indicates that the Council is still keen to develop further opportunities and replication of success is achievable.
- h) It has become increasingly clear that Member's attachment to MonLife services is strong. Members clearly believe in the capacity for public service to transform itself as demonstrated by the number of best practice examples that exist within the organisation.
- i) Many of the MonLife services are delivered on shared schools sites, site relationships can be complex and therefore the proposed separation has remained an issue of concern.
- j) If the ADM were to progress, it is likely that the scope of services to transfer would alter. For example there is little support for the Youth offer to transfer. This shifts the measurement of critical mass.
- k) There is some evidence of instability in other similar trust models in Wales and this is a concern.
- l) Costs incurred to date have been beneficial in determining the options for the future sustainability of MonLife services. A decision now avoids unnecessary abortive costs.

6. EVALUATION CRITERIA

6.1 Whilst the conclusions drawn indicate that the ADM is no longer the preferred proposition for the Council, it is proposed that there are certain criteria attached to the 'Transform in House' model which will certainly need to be applied by the Council in order to optimise the opportunities for success as detailed in the success criteria above.

6.2 It is therefore proposed that MonLife will be delivered through a 'Transform in house' model and the following activities will be undertaken:

- The MonLife brand will remain and internal conditions and policies will be reviewed in order to ensure MonLife services remain sustainable;
- The Cabinet Member is open to the establishment of an Advisory Board to add perspective and momentum to the improvement journey and to recognise the contribution that MonLife Shadow Board members can continue to make.

- The Council's Medium Term Financial Plan will be developed to ensure that the MonLife services will attract a higher political priority than was the case three years ago;
- A multi-year capital investment strategy for the service will be developed.

7. RESOURCE IMPLICATIONS

7.1 Council Officers have been working with the shadow ADM team for an extended period to determine the financial benefits of moving to an ADM model. The case for change, purely on financial grounds, has always been marginal and in particular since the opportunity was granted to the Authority to treat income from sporting premises as VAT exempt.

7.2 TLCY had already been successful in optimising its income generation opportunities from its current service model in previous years and therefore the significant initial gains often seen from other successful Trust models was not present.

7.3 When Cabinet approved the Full Business Case and draft Business Plan in January 2018 the ADM option was costed at £21.440m over the 5 year period of the draft plan. This was the lower cost option at that time saving the authority £1.505m over the Transform in house option (£22.945m). These costs were however in excess of the budget allocations afforded to it by the existing service budget and such pressures were required to be factored into the MTFP and subsequent budget process.

7.4 The January 2018 report quoted the modelled costs for 2019/20 as being £4.601m for transform in-house and £4.271m for the ADM, a saving of £330k. However, The ADM option did not factor in the residual cost impact of support services with the first year impact seen as being £143k on the Council. Therefore the net saving to the Council in the first full year was seen as being £187k.

7.5 Furthermore a one-off budget was approved by Cabinet of £155k, funded from the Priority Investment reserve, to allow the establishment of the new entity and to fund the necessary due diligence and having regard to the requirements of both the Council and ADM.

7.6 The Council team has worked closely with the lead ADM Finance officer and the wider shadow ADM team to assess and 'stress test' the business plan. Various potential opportunities to impact positively on the business plan were explored but this only resulted in a small improvement in the business plan. An updated business plan was subsequently provided in November 2018 (Appendix D).

7.7 The updated business plan reports a cost to the Council for the ADM of £4.255m against a cost for transforming in-house of £4.672m, a saving of £416k. The saving is principally made up of £390k of savings factored into the 2019/20 final budget proposals:

- Business rate (NNDR) relief - £272k
- Donations and gift aid relief - £5k
- Charitable grants - £10k
- New and additional income streams - £44k
- Discretionary fee increases (e.g. gym memberships) - £59k

7.8 The remaining £26k savings were brought about by the further review of the business plan and concerned more optimistic assumptions around grants and donations. These were not factored into the 2019/20 budget proposals.

7.9 The budget proposals for 2019/20 also afforded TLCY services £404k of funded pressures beyond pay award and any removal of one-off pressures from the previous year. A decision to transform in-house will still afford services these same funded pressures.

7.10 The recommendation to transform in-house will see £287k of savings immediately fall away and principally business rate relief now not being available to the Council. However, such pressure on Council finances is offset by the residual impact on support services (£111k) and insurance consequences falling away (£15k), leaving a net pressure of £161k for 2019/20. However, a decision to adopt the Ealing VAT ruling will now result in a further benefit of circa £250k to the Authority as it is able to account for the gross receipt of all future leisure incomes.

7.11 It is anticipated that any net saving derived will be required to contribute towards:

- a) Any servicing of debt resulting from additional capital investment and to the extent they cannot be met additional income or reduced cost;
- b) Any investment in key roles needed to sustain and grow services

7.12 Upon Council supporting a decision to transform services in-house, a multi-year investment programme and service delivery plan will provide further clarification on progress being made to deliver in-year savings together with any additional investment requirements. Policy commitments and the investment programme will need to give consideration to:

- a) Any need for investment in key roles and where there is a need for dedicated expertise
- b) Ring-fenced capital maintenance budgets
- c) Capital investment in existing or new sites in order to maintain or improve income generation opportunities, or to assist in rationalising services to be delivered at reduced cost

7.13 As referred to above adopting the Ealing VAT ruling income from sporting facilities will be exempt from VAT and will benefit the Authority's revenue

account. Separately on the capital account it is known that adopting the Ealing ruling on the one hand give the Council recourse to recover VAT from significant historic claims lodged with HMRC amounting to £1.2-£1.7m. However, on the other it will constrain us in terms of the Council's VAT partial exemption threshold being triggered and which could have significant consequences on the level of VAT payable by the Authority in a year of breach. Officers are receiving ongoing advice from the Authority's VAT accountant and appointed VAT consultants. Once the 5 year Capital Investment Programme is available the VAT consequences will be assessed and the Authority will then engage in discussion and negotiation with HMRC to optimise its VAT position and such as to not prohibit any planned capital investment requirements.

7.14 The reserve funded one-off costs of £155k have been spent securing the necessary advice to support the due diligence that has been undertaken and which have ultimately allowed the recommendations in this report to be forthcoming. Such costs should not be seen as abortive. As previously stated the costs incurred to date have been beneficial in determining the options for the future sustainability of MonLife services. Furthermore taking a decision at this point in the process has prevented significant further staff time and advisor costs being incurred, most notably legal costs. Efforts will instead be channelled into developing the transform in-house model.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

The assessment demonstrates that the 'Transform in house' model will ensure valued local services are maintained and by their nature continue to provide employment, growth and an increasingly skilled workforce. The proposals will enable services to be kept open with stronger community focus and coordination. The positive engagement activities with communities, customers and staff will continue as well as a focus on income generation and investment in key aspects of the business to ensure the culture and business thrives. Incorporated services will contribute greatly to local culture, heritage and art with the promotion of activity, health and wellbeing forming part of its key drivers.

9. CONSULTEES

Audit Committee
Senior Leadership Team
Cabinet

10. BACKGROUND PAPERS

Appendix A: Evaluation Criteria

Appendix B: Future Generations Evaluation

Appendix C: Benefits, Dis-Benefits and Risks Paper

Appendix D: MonLife draft Business Plan

11. AUTHORS:

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**Appendix A
Council**

Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Title of Report:	MONLIFE – UPDATE
Date decision was made:	11th April 2019
Report Author:	Frances Williams/Peter Davies

What will happen as a result of this decision being approved by Cabinet or Council?
<p>As a result of this decision MonLife will revert to a ‘Transform in house’ model and:</p> <ul style="list-style-type: none"> • The MonLife brand will remain and internal conditions and policies will be changed in order to ensure MonLife services remain sustainable. A further paper will be put to Council in July detailing the proposed changes; • The MonLife Shadow Board will become an Advisory Board working with Officers and Members to identify and drive commercial opportunities; • The 2019/20 budget will not jeopardise transformation opportunities, financial commitments made will be honoured. The Council’s Medium Term Financial Plan will be developed to ensure that the MonLife services will attract a much higher priority than would have been the case three years ago ; • A five year investment programme for the service will be developed.
<p>6 month appraisal</p> <p><i>Was the desired outcome achieved? What has changed as a result of the decision? Have things improved overall as a result of the decision being taken?</i></p>

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?
<p>A future report will be brought to Council in July 2019 detailing the proposed changes for the Council based on the decisions approved above.</p>
<p>6 month appraisal</p> <p><i>Paint a picture of what has happened since the decision was implemented. Give an overview of how you fared against the criteria. What worked well, what didn’t work well. The reasons why you might not have achieved the desired level of outcome. Detail the positive outcomes as a direct result of the decision. If something didn’t work, why didn’t it work and how has that effected implementation.</i></p>

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

The 2019/20 budget will not jeopardise transformation opportunities, financial commitments made will be honoured. The Council's Medium Term Financial Plan will be developed to ensure that the MonLife services will attract a much higher priority than would have been the case three years ago. Further details will follow.

6 month appraisal

Give an overview of whether the decision was implemented within the budget set out in the report or whether the desired amount of savings was realised. If not, give a brief overview of the reasons why and what the actual costs/savings were.

Any other comments

Appendix B



monmouthshire
sir fynwy

Future Generations Evaluation (Includes Equalities and Sustainability)

<p>Name of the Officer Cath Fallon</p> <p>Phone no: 07557 190969 E-mail: cathfallon@monmouthshire.gov.uk</p>	<p>MonLife Update</p>
<p>Name of Service: Enterprise including Tourism, Leisure, Culture and Youth</p>	<p>Date Future Generations Evaluation 25th March 2019</p>

NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc.

1. Does your proposal deliver any of the well-being goals below?

<p>Well Being Goal</p>	<p>Does the proposal contribute to this goal? Describe the positive and negative impacts.</p>	<p>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</p>
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>To ensure much valued local services are maintained and by their nature provide employment, growth and an increasingly skilled workforce.</p>	<p>Keeping services open and local but with more community focus and coordination – helping knit communities together.</p> <p>Positive engagement and coordination with community focused services.</p>



Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
		<p>Income generation and investment in key aspects of the business will ensure the culture and business thrives and there is sustained growth moving forwards.</p> <p>Continue to invest and grow successful volunteering scheme.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>Continue close working partnership with countryside and planning and ensuring green spaces and cultural heritage is supported.</p> <p>Management of greenspaces and property to maintain and enhance biodiversity and promote resilience.</p>	<p>‘Transform in house’ model will continue to develop partnerships and support landscape scale action, provide expert advice and seek to access new forms of funding to secure partnership action.</p>
<p>A healthier Wales People’s physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Positive impact by ensuring quality services are provided by offering events and opportunities to encourage a fit and healthy lifestyle through leisure, sport, outdoor education, countryside and cultural access.</p> <p>The revised offer will ensure that events and activities are also well signposted and the benefits of such activities demonstrated.</p>	<p>Working with key partners through the Public Service Board will ensure that physical and mental health through activity is widely available and that the service is central to this by working directly with its communities. The work inside Creating An Active and Healthy Monmouthshire Group connects to key acts such as Social Services Wales (Act) the Wellbeing Future Generations, Environment Act and also key strategies and drivers such as obesity including the Gwent Child Obesity Strategy, Get Wales Moving (replacing Climbing Higher), etc.</p>


Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
		Schools Sports Surveys will be undertaken biannually along with work across Active Gwent Sport Development/Youth Teams, cultural services, cycling and walking product, and exercise referral should all contribute to a positive impact.
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The 'Transform in house' model will ensure the sustainability and growth in these service areas. Staff will continue to engage with the community and connect with local priorities – leading to service improvements by continuing to understand what matters to customers and partners.</p>	<p>Community cohesion will continue to be a key social driver.</p> <p>An extensive customer survey on, 'what matters', has been undertaken across all our services where, 1,200 returns were obtained and further engagement activities have taken place since then with customers, staff and user groups.</p>
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>Services will continue to ensure high standards are met and maintained that do not conflict with the global drivers.</p>	<p>Any decisions taken will take into account global and well-being issues as part of its day to day processes.</p>
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>Services will continue to contribute greatly to the local culture, heritage and art, this will include the promotion and protection of the Welsh language.</p>	<p>One of the key drivers of the service will be the promotion of activity, health, culture and art and key developments will reflect this.</p> <p>The ability to react to the current markets and trends will enable the service to position itself to meet the outcomes.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>MonLife will continue to services for all age ranges and deliver a diverse and comprehensive package for all of its communities.</p>	<p>With the ability to better market and understand data there will be opportunities to target areas of the community that may not currently be aware of the offer.</p> <p>The ability to extend current work towards access to facilities and services can be rolled out consistently across all service areas.</p>

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The proposed 5 year business plan will continue to ensure the services are focused on function and development.</p>	<p>Reducing budgets and savings have led to some service areas altering core hours of operation. There has been a concerted effort to assist by mobilising volunteers, making efficiencies and generating additional income to ensure negative impact of reducing budgets is mitigated.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The services have some key partners from funding, grants and delivery of service. Some key partners include other LA's, Public Health Wales, NRW, Sport & Art Wales, Visit Wales, Town & Community Council, Youth Offer partnership, Creating Active & Healthy Monmouthshire, Schools, Unions.</p>	<p>The next phase will include a full engagement program, scoping of commercial opportunities to move things forwards.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Involving those with an interest and seeking their views</p>	<p>There is an ongoing engagement program in place to ensure all the relevant people are consulted with. This includes all staff across Tourism, Leisure, Culture and Youth Service, Town and Community Councils, the Senior Leadership Team and all Council members within Monmouthshire.</p>	<p>The engagement process is constantly reviewed and evaluated to ensure the views of all those who have an interest are taken into account.</p> <p>Engagement is an ongoing continual process. A number of 'staff champions' have stepped forward to help with the process to communicate and support teams on the ground. An electronic newsletter is sent to all staff periodically when there is any further information or progress to share. There is also a central location on the Hub for staff to view relevant documentation and post views and opinions on the process. This ensures all staff are receiving a consistent message and the champions have something to share with teams and collect any feedback in necessary.</p> <p>It is anticipated that this will continue as the 'Transform in house' model is developed.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The business plans for each service have been developed with the site teams and managers. In the plans there are opportunities for growth and investment.</p> <p>If this is not done the services will be managing decline and income targets will not be maintained causing a downward spiral.</p>	<p>Staff are currently identifying key income pipelines for each area and how these can be developed and joined up within the new model moving forwards.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The opportunity to develop a new way of delivering services and sustaining their long term future should give the opportunity to better connect wellbeing outcomes to other partners and bodies. All the services being considered contribute to the wellbeing goals although some are more clearly defined than others. It is important that the services are able to clearly demonstrate and understand their input into the wellbeing goals – it is also important to consider the impact.</p>	<p>One of the key drivers will continue to be the promotion of activity, health, equality, culture and art and its structure and key developments will reflect that. All of this will be linked back to ensuring the key priorities of the Future Generations Act are met. The Performance Evaluation Framework measures impact on all of the wellbeing goals</p>

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link:

<http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or alanburkitt@monmouthshire.gov.uk

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The 'Transform in house' model will provide greater opportunities for all ages as it will look to invest, develop and build on existing facilities and programs. There will also be a joined up approach so that all service areas in scope provide a much wider offer. The new model is likely to provide employment opportunities in new areas of the business for existing staff within marketing, sales, catering etc. These positive impacts will apply to all protected characteristics listed below.	n/a	Asking all of customers and partners what matters to them will evidently improve services. If we are in a position in the future to redesign and invest in facilities we will see an improved offer for all.
Disability	Any new re-design and development will conform to the Equalities Act.	n/a	Working with key partners we have ensured all new facilities and re-developments have/will be fit for purpose and suitable for all abilities.
Gender reassignment	As in Age row	n/a	As in Age row
Marriage or civil partnership	As in Age row	n/a	As in Age row
Pregnancy or maternity	As in Age row	n/a	As in Age row
Race	As in Age row	n/a	As in Age row
Religion or Belief	As in Age row	n/a	As in Age row

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Sex	As in Age row	n/a	As in Age row
Sexual Orientation	As in Age row	n/a	As in Age row
Welsh Language	Consideration will be given to any new signage and plans for any redevelopments to comply with the Welsh Language act. All marketing materials and general information for customers will be provided bilingually including planned social media. There are current Welsh Language courses running for all front of house staff to meet and greet customers and these will be developed. All job adverts are now advertised as requesting Welsh speakers as part of the person specification.	n/a	Staff are engaging in improving their ability to communicate through the medium of Welsh. There is support for this centrally via a scheduled training program to ensure teams are in a good position to deliver the core aims within a set timeframe.

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance <http://hub/corporatedocs/Democratic%20Services/Safeguarding%20Guidance.docx> and for more on Monmouthshire' s Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/have you done to mitigate any negative impacts or better contribute to positive impacts?

Safeguarding	We will ensure safeguarding is at the forefront of all plans with the relevant documentation, systems and procedures and levels of training in place for all staff relevant to the role consistently across the board.	n/a	We will continue to prioritise our safeguarding measures, reflect on current practice and continue to train staff to the appropriate levels. All service areas have updated SAFE procedures in place in line with MCC procedures and a training database is maintained by all managers to reflect upskilling of staff within this area. We also link with our sports clubs to ensure they have nominated individuals to safeguard their users.
Corporate Parenting	We will continue to work with our partners to assist in any way we can and add value to the current provisions.	n/a	We will continue to have representation for this area at all team meetings and continuously monitor and review all systems and procedures mentioned above to ensure we are providing as safe an environment for all of our customers as possible. We actively encourage all staff to be vigilant and report any instances they feel appropriate and have procedures in place for this.

5. What evidence and data has informed the development of your proposal?

Throughout this process the following documents have underpinned the agreed move to an ADM:

- Final Business Case
- Amion report regarding the Future Options for MCC's Cultural Services;
- The Medium Term Financial Plan;
- Full Engagement Plan;
- Welsh Government Guide to Alternative Delivery Models;
- Anthony Collins Strategic Outline Case;
- MCC Strategic Outline Case;
- Outline Business Case produced by Kevin Ford working as an associate with Anthony Collins

- VAT Report by Mazars
- Advice and Support from other Leisure Trusts/Charitable Organisations
- Draft Heads of Terms for Teckal and Charity
- Draft Articles of Association for Teckal and Charity
- Shadow Board Paper
- Governance note for Teckal and Charity from Anthony Collins

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The 'Transform in house model will ensure valued local services are maintained and by their nature continue to provide employment, growth and an increasingly skilled workforce. The proposals will enable services to be kept open with stronger community focus and coordination. The positive engagement activities with communities and staff will continue as well as a focus on income generation and investment in key aspects of the business to ensure the culture and business thrives. Incorporated services will contribute greatly to local culture, heritage and art with the promotion of activity, health and wellbeing forming part of its key drivers.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
Produce and present Strategic Outline Case to Joint Select (SOC)	5 th October 2016	Ian Saunders & Working Group	Complete
Subject to approval Draft Outline Business Case will be developed	October – February 2017	Ian Saunders & Working Group	Complete
Presentation for Senior Leadership Team around the Draft Outline Business Case	26 th January 2017	Ian Saunders & Working Group	Complete
Draft Outline Business Case to go to Senior Leadership Team	February 2017	Ian Saunders & Working Group	Complete

Draft Outline Business Case to go to Joint Select	27 th February 2017	Ian Saunders & Working Group	Complete
Draft Outline Business Case to go to Full Council for approval to progress to full Business Case	20 th March 2017	Ian Saunders & Working Group	Complete
Complete full business case and first draft of Business Plan to present to Cabinet	March – December 2017	Ian Saunders & Working Group	Complete
Subject to approval the ADM group structure will be established	June – August 2018	Ian Saunders & Working Group	
Subject to approval the ADM will go live	1 st October 2018	Ian Saunders & Working Group	
MonLife – ‘Transform in house model’	11 th April 2019	Peter Davies and Frances Williams	

- 8. MONITORING:** The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	Ongoing (in line with the above schedule)
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- 9. VERSION CONTROL:** The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	<i>Principle of the Alternative Delivery Model to be approved</i>	<i>September 2016</i>	<i>This will demonstrate how we have considered and built in sustainable development throughout the evolution of a proposal.</i>

2	<i>Outline Business Case Draft</i>	<i>March 2017</i>	
3	<i>Completion of Final Business Case and first draft of Business Plan</i>	<i>November 2017</i>	
4	<i>Completion of update report and associated draft legal and governing documents</i>	<i>June 2018</i>	
5	<i>Move to 'Transform in house' model</i>	<i>April 2019</i>	

Project Option	ADM Model (MonLife and MonLife Plus, Trust and Teckal)	Transform In-House
Description	Alternative Delivery Model (ADM) for Tourism, Culture, Leisure and Youth Services	In-house transformation
Key Assumptions	<ul style="list-style-type: none"> • Facilities and services are managed strategically and operationally by Trust and Teckal • Would be based upon a reducing budget year on year • Funding and management agreement would be reviewed and renegotiated subject to performance • Continued board representation from the Council • TUPE and Admitted Body Status would offer some protection for existing employees • Service Level Agreements will be established between the new entity and Council 	<ul style="list-style-type: none"> • Facilities and services are managed within the Council • Employees employed directly by the Council • Day to day decisions being made by the Council • The Council continues to face significant reductions from central government, some aspects of the current services are discretionary and policy commitments would be needed by the Council to secure the future of all services in the long term • Further opportunities can be explored for collaboration across the region and where this is of benefit to the authority in sustaining and improving services • New investment plan will be required to maximise economic growth
Benefits	<ul style="list-style-type: none"> • The Charitable Trust is able to gain NNDR relief for circa. £272,000 • A fresh start for the service and opportunity to rebrand and re-motivate the management and operational team • An outsourced Trust operator has the potential to continue to generate revenue savings • Greater opportunity for career progression and more structured training programmes • Solution devised to have the potential to realise the synergies and improvements across services that are often missed when reviewed and developed in isolation 	<ul style="list-style-type: none"> • A Council in-house team could make long term revenue improvements subject to appropriate revenue and capital investment • Can access internal capital funding through prudential borrowing at a lower interest rate than any of the other options • In-house provision provides the Council with maximum control at both a strategic and operational level • An in-house delivery will be able to guarantee protection of employee terms /and conditions • A business culture has been developed within the

	<ul style="list-style-type: none"> Model designed so that where the services still need to obtain a degree of independence from the Council they can be able to be more innovative in their service delivery. The benefit of an external Teckal vehicle also lies in part in its ability to work alongside a charitable vehicle more effectively to deliver the shared vision, purpose and aims in the draft MonLife business plan (Appendix D). 	<p>Council over the last 3 years capable of maximising efficiency and income generation within an in-house environment:</p> <ul style="list-style-type: none"> Commercial mind set Risk aware but not risk adverse culture Freedom & Flexibility <ul style="list-style-type: none"> Support Services such as Finance, Business Transformation, Audit, Employee Services, Procurement, Landlord Services and Digital Programme Office will be on hand to provide support and guidance. Upon adoption of Ealing ruling VAT treatment of income from sporting facilities are exempt from VAT leading to a circa £250,000 per annum benefit to the Council.
Dis-benefits	<ul style="list-style-type: none"> Raising capital finance may be a problem. Would be likely to require the Council to borrow on its behalf. Further enabling funding would be required to agree contracts between County Council and new entities Transfer would not be possible until October 2019, following completion of all contractual due diligence, consultations Terms and condition of a Grant Agreement are likely to limit the strategic and operational control of the authority The County Council will retain responsibility for commercial risk in relation to overspends and subsequent budget shortfall Major maintenance obligations relating to assets will remain with the authority Liability for redundancy costs to be negotiated and agreed but it is usual that they will rest with the Council for a period of 2 years after transfer The Council will be responsible for any underlying pension deficits upon the start of the employment 	<ul style="list-style-type: none"> Some of the monetary advantages of a Trust and Teckal model are not available to the Council, though these are principally in relation to NNDR savings which themselves are not guaranteed into the long term as a result of ongoing taxation reform. It is subject to external market fluctuations / influences, which would mean that it could not guarantee any future level of savings. Unlikely to attract significant external grants to support capital development, though such grants are reducing nationally NNDR costs are incurred by the Council, which are included in its 19/20 budget – Additional Pressure of £272,000. NNDR costs are incurred by the council going forward therefore impacting on the Councils MTFP No opportunity to transfer risk to a 3rd party Limited ability to affect staff terms and conditions

	<p>arrangements that it must pay in respect of any transferring employees</p> <ul style="list-style-type: none"> • Marginal Business Case: £200k savings at best, benefits reducing as momentum is lost e.g. Business Rates, reduction of services in scope for transfer; 	
<p>Risks and Mitigations</p>	<ul style="list-style-type: none"> • External factors would continue to affect the Trust, in areas of new competition and the national and local economic climate. • Staff terms and conditions for employment may be adversely affected by an outsourced operator • Significant legal and commercial risks relating to employment and pensions matters • Introduction of more County Council control within the Grant Agreement could increase the risk of procurement challenge • Pressure to maintain a commercially viable operation could lead to a 2-tier workforce with all new employees being recruited on reduced terms and conditions • Pressure to maintain a commercially viable operation may impact on the terms, conditions and longevity of service level agreements with the Council, leading to a residual financial pressure for the Council to manage 	<ul style="list-style-type: none"> • The Council will continue to face significant financial challenge and increasing expectations from customers, therefore the service will have to manage an ongoing funding gap. Mitigation – MCC will need implement a continuous service transformation programme exploring all opportunities for efficiency and commercial development. • Adopting the Ealing VAT ruling will mean income from sporting facilities will be exempt from VAT and will benefit the Authority’s revenue account. However, this may constrain the authority in terms of the Council’s VAT partial exemption threshold being triggered and which could have significant consequences on the level of VAT payable by the Authority. Mitigation – MCC are receiving ongoing advice from the Authority’s VAT accountant and appointed VAT consultants. Once the 5 year Capital Investment Programme is available the VAT consequences will be assessed and the Authority will then engage in discussion and negotiation with HMRC to optimise its VAT position and such as to not prohibit any planned capital investment requirements. • External factors would continue to affect this operating model in areas of new competition and the national and local economic climate. Mitigation – MCC will continue to monitor the external market place to ensure all external pressures are managed

		<p>accordingly</p> <ul style="list-style-type: none">• Demotivated management and operational team following decision to deliver an in-house model. Mitigation – MCC will develop an ambitious and challenging 5-year business plan with the capability to sustain and develop service provision.• Reputational damage from new proposals. Mitigation – MCC will clearly demonstrate the necessity for an in-house model in the context of the current environment together with the ability of the authority to deliver against customer expectations.• Asset investment needs to be present to ensure opportunity for development in line with business Plan. Mitigation – MCC will substantiate capital investment following robust option appraisal and business case development• Bureaucracy - all of which add overhead and intransigence at officer and member level prolonging decision-making. Mitigation – MCC will review and adapt processes accordingly to ensure effective decision making
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MonLife

DRAFT BUSINESS PLAN

NOVEMBER 2018

Authors: *Ian Saunders, Head of Tourism, Leisure, Culture and Youth*
Marie Bartlett, Finance Manager
Richard Simpkins, Business Manager, Tourism, Leisure and Culture
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Consultants: *Ford Partnership Ltd. (FPM)*

Appendix 32	6	–	Current	Performance	Dashboard	for	Leisure	Services
Appendix 33	7	-	Well-being	of	Future	Generations	Goals	& Principles
Appendix 38	8	–	MonLife	Vision	and	Aspirations		
Appendix 39	9	–	Background	Financial	Information			
Appendix 40		10			–	Marketing		

1. Introduction

MonLife will be a one-stop-shop vehicle for health, wellbeing and creating diverse opportunities for all of our communities. The culture of the organisation will be commercially astute and operate within a competitive market. MonLife will be an efficient and effective organisation, and will maximise its impact by pursuing opportunities for income generation and future growth of service areas.

MonLife will be strategically driven by a dynamic, passionate team and Board working at pace to a common goal defined by its Charitable Objects. MonLife's ambition will be to deliver high quality customer experiences and encourage more visitors to the Monmouthshire area supporting resilient and active environments.

MonLife will be a sector leading Charity aspiring to make the best possible contribution to improving the quality of life for all of our communities, aligning to Public Service Board priorities from the Well-being Plan and Assessments. There is a clear vision for people to be the most creative and active they can be, driven by an organisation with strong values, owned by everyone in the organisation and experienced by all of those who engage with it. MonLife will be that organisation.

MonLife will be a dynamic organisation with plenty of enthusiasm and ambitious ideas working in partnership with others, particularly Monmouthshire County Council which will be paramount to its success. As MonLife matures as an organisation the Board will review and redevelop the Strategic and Business plans and consult with partners to remain relevant and at the heart of the community. Critical to its success is further product development or refurbishment of key facilities and infrastructure via investment, projects, grants and programmes and it will ensure priorities for investment are based on data, latent demand and maximum return on investment.

This plan has been developed against a backdrop of delivering services in line with our budget commitments whilst also achieving the major efficiency targets which have been identified across all areas of the business. Difficult decisions will need to be made in relation to how we continue to make these efficiencies whilst also providing services. Future local authority budget cuts will mean these services are likely to suffer resulting in more services being delivered in a different way. Priority and spend will be given to Education and Social Services. Delivery vehicles such as MonLife will become more commonplace to ensure these high value services have opportunities to benefit from new resources. There are some large private and third sector funding available such as the emerging Shared prosperity Fund from UK Government and the UK industrial strategy (£6.4bn) with its four grand challenges: ageing, mobility, data and energy which MonLife is well placed to access. That funding is not available to public bodies and is an integral part as to why MonLife will succeed.

1.1 MonLife

MonLife is a charity with a trading company. It has charitable status and is a non-profit distributing organisation part funded by Monmouthshire County Council. It is governed by its Articles of Association and will deliver to the company objects:

The Charity's objects are restricted specifically, in each case only for the public benefit to:

- 1.1.1 advance education, health, arts, heritage, culture and science through, more particularly, the following objects:
 - (a) provide and maintain museums and/or art galleries for the benefit of the public;

- (b) advance education by the provision and maintenance of museums and/or art galleries and collections and by providing arts and cultural activities and events, artistic programmes, research projects and educational projects;
- (c) promote for the benefit of visitors to and the residents of Monmouthshire the provision of a public library for recreation and or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said residents and visitors, and the provision of education;
- (d) to promote the conservation of the Assets and their enhancement for the public benefit;
- (e) promote public and community participation in healthy recreation for the benefit of the inhabitants of Monmouthshire and visitors to the area, by the provision of facilities (both indoor and outdoor) for the playing sport and the provision of activities and events to promote wider participation in sport;
- (f) promote for the benefit of the inhabitants of Monmouthshire and visitors to the area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants;

1.1.2 advance in life and help young people through:

- (a) the provision of recreational and leisure time activities designed to improve their conditions of life;
- (b) providing support and activities through informal education which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals;

1.1.3 act as a resource for young people living in Monmouthshire by providing advice and assistance to enable them to participate in society as independent, mature and responsible individuals;

1.1.4 advance the education of the inhabitants of Monmouthshire and visitors to the area in particular environmental and outdoor education, including in subjects relating to access to, and the preservation and conservation of, the countryside, and of the health benefits of outdoor recreational pursuits.

MonLife represents a broad spectrum of facilities, services and programmes related to the provision of enhancing the health, fitness and personal wellbeing of the residents of Monmouthshire.

We provide leisure services from 4 sites within Monmouthshire and offer outdoor activities at 2 centres. We have 7 sites which incorporate our attractions and museums and also promote tourism information and offer some of the most impressive buildings with historical interest and activities to engage all ages. Countryside services oversee a large countryside access network and sites to provide outdoor experiences for communities and visitors alike. We have an extensive Youth offer that will provide services and activities for children and young people across Monmouthshire.

MonLife will have an annual turnover of over £10m and circa 136 FTE staff and circa 257 active volunteers. It will work in collaboration with a large number of organisations including local clubs and societies (circa 356 partnerships) to ensure the best possible experiences are delivered to customers and communities.

The Charity is led by a Board of Trustees comprising of nine Directors including two nominated by MCC. The expert Board of Trustees will tap into Monmouthshire's high social capital, resources and networks to maximise the potential and create a strong platform for the company.

MonLife will be established and operational in Spring 2019.

1.2 Adding Public Value

MonLife will help position Monmouthshire as a great place in which to live, work, play and visit. MonLife will play a significant part in shaping the environment, preventing demand that would normally end up requiring intervention by costly statutory services and all make a significant contribution to the social, environmental and economic health of the county.

By aligning to Public Service Boards and Well-being plans, MonLife will play a significant role in building sustainable and resilient communities, reducing inequalities and supporting vulnerable people. It will respond to the challenges and objectives of:-

- Preparing children and young people for the best possible start in life
- Responding to the challenges associated with demographic change
- Protect and enhance the resilience of our natural environment
- Develop opportunities for communities and businesses to be part of an economically and well-connected county.

MonLife will have enthusiastic and energetic people throughout the organisation. We will enable teams to thrive, learn and grow and continue to provide valuable local services. It is essential to empower the team to lead and reduce bureaucracy, as often they have the answers to improved efficient delivery and new ideas – ensuring we make the top line as big a priority as the bottom line. Workforce development is key to ensuring that staff within MonLife excel at customer service; the behaviours and attitudes that underpin this will be fully engrained into their organisational culture.

During the first year of operation, MonLife will be in transition from the Council and will have a change agenda programme to form a new dynamic organisation which is capable of grasping all the opportunities that come its way. This draft business plan is intended to help identify and create possibilities that will make the most positive impact over the next 5 years. It will help guide MonLife's work for the next 5 years recognising the demographic challenges, including an ageing population, increasing levels of obesity and inactivity.

2. Vision, Mission, Aims and Values

2.1 Vision

Enriching people's lives and creating vibrant places.

2.2 Mission

To promote healthier lives and inspirational experiences, and promote the vibrancy of Monmouthshire as a great place to be.

2.3 Aims

MonLife aims to:

- Enrich people's lives through participation and activity
- Build strong and vibrant places and communities in Monmouthshire

It will achieve these aims through building a successful organisational culture by;

- Developing its people to be the best they can be
- Being a successful business powered by its people
- Providing excellent customer experiences
- Building strong networks and effective partnerships
- Making informed decisions based on business intelligence
- Growing a sustainable business

MonLife will achieve its mission, vision and aims through its focus on customer engagement, working in partnership, its organisational attitudes, values and empowerment and its excellent business practice by:

Figure 1 – Diagram of Aims



2.4 Values

Quality and Excellence – ‘It’s how we do it’

Inclusive and Respectful – ‘We’re all in this together’

Collaborative and Creative – ‘Working as one, caring for all’

Motivated, Passionate and Proud - ‘It’s what we do’

Resilient and Innovative – ‘Sustainable inspiring services for the future’

Valued decisions based on evidence – ‘Informed next steps’

Responsive decisions and implementation – ‘Fleet of foot’

3. Strategic Objectives

The direction of travel for MonLife is to develop an organisation which meets the aspirations of the Board and in partnership with MCC and its community in a challenging financial environment by transforming its services and culture to one which:

- provides the services and operates from sites and venues that people want to use, offering better quality for our customers and key partners;
- is a trusted and valued organisation, secure in its role as a leader for these services;
- diminishes the reliance on Council funding whilst continuing to deliver key services for the Council;
- has a business culture that is more flexible, entrepreneurial and commercially minded; and
- builds on the loyalty of our workforce both volunteers and staff who motivate a huge cross section of the community to take part in those services that improve lives.

What will make us different?

There are a considerable number of providers within the locality that provide a healthy competitive market to some of our service offer. Nevertheless we believe that MonLife has a number of distinctive features which make it unique.

Partners, Community & Outreach

- All our surpluses are reinvested in strategic priorities. We operate as a charity, a not for profit organisation;
- The organisation is run by local people with the right expertise who know the county well;
- We are strongly engaged with the local community and with outreach work beyond our venues;
- We have strong learning and health and wellbeing links; and
- We network collectively with 356 partners to enable us to grow and enhance our service offer.

Our Products and Service

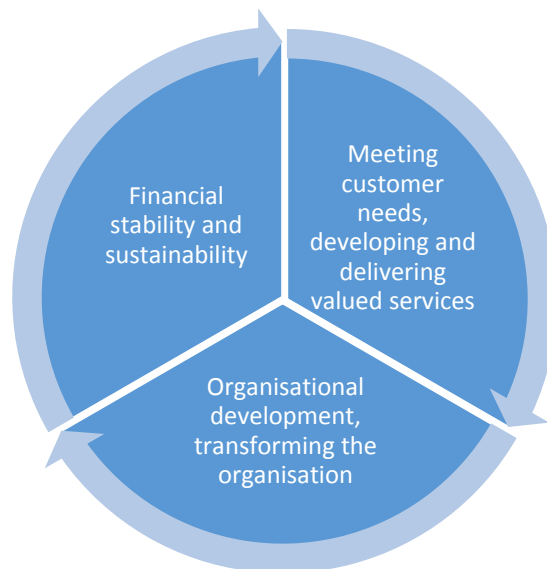
- We provide many free services and where we charge, our charges are competitive offering great value for money which means more local people and community organisations can access our services;
- We have developed bespoke services to meet the widest range of interests of our customers and local community groups;
- Our workforce is dynamic, diverse and expert to ensure we deliver the optimum service offer for our customers and beyond;
- We are innovative and proactive with our approach to new products and trends; and
- We provide something for everyone across our service offer.

Our Users and Customers

- We provide a positive, enjoyable and supportive experience for a diverse community of users which acts to encourage many potential customers who might otherwise be deterred in participating in activities;
- We provide bespoke services, support and information tailored to the needs of individuals;
- We provide reliable and well informed professional advice and information services tailored to customer’s requirements;
- We seek feedback from both our direct and indirect customers and regularly review our services against it; and
- We assess our progress against our outcome measurement framework embracing all of our activities.

MonLife will achieve its five year ambition through work focused on the following three strategic objectives:

Figure 2 – Key Strategic Objectives



3.1 Meeting Customer Needs

People are at the heart of everything, be they customers or potential customers.

MonLife will work hard to understand its markets and communicate effectively, including engaging with those people who may be harder to reach. We will ensure quality, accessibility to facilities and programme, and maintain the balance of universal provision with supported targeted activity.

Working to this objective will require:

- Excellent knowledge of our customers and the markets in which we operate;
- Motivating and communicating;
- Social and environmental responsibility;
- Growing customer loyalty; and
- Affordability and value for money.

We will have a relentless focus on our markets:

MonLife will operate in a unique marketplace. It will continue to provide a range of publicly funded or subsidised services to the citizens of Monmouthshire. We have ambitions to develop and improve all these services. In addition, we will provide services to many of the 2 million plus visitors who come to Monmouthshire every year. These services will in the main be operated on a commercial basis with surpluses reinvested back into the public services for Monmouthshire citizens.

The Council has already carried out significant market research on these marketplaces including:

- Latent demand studies;
- Visitor information;
- Benchmarking across leisure and outdoor education services; and
- Latest industry dynamics.

These will continue to be developed as MonLife will focus on using business intelligence and market segmentation.

3.2 Financial Stability and Sustainability

Being efficient and effective and operating within our means.

This objective is crucial given the challenging public sector funding environment and underpins everything that MonLife will do. It is clear that MonLife must become less reliant on Council funding and find new ways to ensure their development continues, and to meet customer needs. For many of the venues, facilities and programmes MonLife will require investment and improvement, funding for which has been in decline over many years. The ability to generate increased levels of income will also largely be dependent upon being able to provide a high quality experience to customers. MonLife therefore needs to improve income generation, become more entrepreneurial and ensure that funds raised are invested in priorities determined on robust evidence.

Working to this objective will require:

- Targeted income generation;
- Investment in to improve services;
- Partnerships to engage people and deliver more and better services; and

- Value for money.

3.3 A Vibrant and Flourishing Organisation

Growing up, getting stronger and maturing as a charitable company is critical to our development and if we are to live up to all our and our stakeholder expectations.

MonLife will be flexible and entrepreneurially minded. We will work with all our staff to enable them to rise to this challenge. It is a step change that must be made and all our people will need to be involved in the process.

Working to this objective will require:

- Sound governance;
- Organisational culture development;
- Employee empowerment, knowledge and development; and
- Policy Development.

4. How MonLife will achieve this?

MonLife Board will look to deliver its objectives through five key work streams.

4.1 People and the Organisation

MonLife's biggest internal investment is in its workforce regardless of whether they are paid staff or volunteers. Their contribution has a profound impact on the business outcomes. The capacity to be leaders at all levels, to innovate and develop ideas is vital to the success of the business and people need to be empowered and encouraged to do so. MonLife will also seek to increase its ability to attract greater community interest and involvement in their work.

In its first 5 years MonLife will:

- Ensure existing services are delivered effectively – mitigating any effects of transition, perceived or actual;
- Implement adopted Policies and procedures, including safeguarding, to ensure robust mechanisms are in place to support services and the workforce;
- Manage the organisational transition to produce an effective business, that maintains and enhances relationships – managing changed relationships with stakeholders and growing partnerships;
- Generate increased uptake of services – beginning to take a more commercial approach to income generation;
- Embed integrity, equality of opportunity, and social and environmental responsibility in how they undertake the business – beginning to establish a company culture;
- To create a positive working environment where staff use their skills and expertise to deliver valued contributions to the business – building a new team and getting 'buy in' to the new organisation;
- Establish a Staff Forum where representatives from within the workforce are able to contribute, inform and shape the growth and development of the organisation;
- Roll out the workforce development action plan that fully engages all employees and volunteers, and supports them to meet the objectives of the business;

- Implement performance management and accountability more robustly across the organisation; and
- Offer an improved standard and increased range of volunteering opportunities including those for young people, to benefit those seeking to change employment prospects, and enhance older people's community contribution and personal wellbeing; ensure the business has the appropriate mix and blend of effective and value for money support services to meet our business needs.

4.2 Sales and Marketing

MonLife is a new brand and an unknown quantity with target audiences. Successful marketing will depend on developing a strong and credible brand which is differentiated sufficiently from others delivering similar services inside and outside of the area. It will also rely on effectively identifying and targeting the best prospects for each service to market segments who would find the services and products most appealing, as these are the people most likely to engage and spend money on them.

Well-being lies at the heart of all services delivered by MonLife and is the foundation for the evaluation framework, which will measure the group's success. In order to develop a customer-focused brand for MonLife which is associated with enhanced well-being in Monmouthshire communities, well-being needs to be at the core of everything that MonLife does (in all aspects of service delivery across all service areas) and at the centre of its communications externally and internally. A detailed version of the MonLife Marketing Strategy can be found in Appendix 10.

During the first five years MonLife will:

- Develop and implement a marketing strategy which seeks to invest and grow the products across the business;
- Develop a better understanding of its customers and improve marketing activity – establishing new activities to lead to better communications and a stronger business base;
- Make use of customer information and data, to provide a stronger evidence base for decision making;
- Implement thematic marketing plans around customer bases;
- Seek ways to better integrate customer sales activity and increase cross selling, building this into plans for events, programmes and venues;
- Ensure that growing brand awareness is something that everyone in the organisation can contribute to and become champions for the services the business deliver; and
- Develop digital communications and engagement appropriate to a range of audiences.

4.3 Information and Communication Technology

MonLife will need to review its use of modern digital technologies. Current systems provide the management information and customer knowledge which will need to be evaluated to ensure it meets basic customer expectations such as online booking or joining. New technology could also help achieve efficiency savings in the longer term, better target our marketing, respond to trends, and communicate more effectively with our customers.

Over the next 5 years MonLife will:

- Enable customers to book and pay online prioritising services such as sport and fitness courses and classes;
- Ensure a priority for improvement to the electronic point of sales systems, which allow us to chart customer usage across our services;

- Enhance our digital presence, to improve our customer and visitor facing information;
- Develop a clear understanding of future needs and create a prioritised plan that allows us to improve working culture, make best use of creativity and innovation, and manage information;
- Allocate resource to drive our ICT improvements forward and give careful consideration to the implications of our plans on financial resources and systems support services; and
- Complete a Digital Strategy to plan and prioritise all the above.

4.4 Investing to improve services

The buildings and assets supporting MonLife's services have suffered from lack of investment – there just has not been the money in local government to keep pace with needs. MonLife will seek to find new ways to rationalise and be more efficient as well as thinking differently about how venues are used. Customer expectations are ever changing and programme providers have to be fleet of foot to keep ahead of trends and meet customer needs.

Alongside these new approaches MonLife will seek to establish a programme of investment in buildings and assets using its access to a range of sources of finance.

In its first 5 years MonLife will:

- Actively seek new investment from trusts, foundations and other sources of social finance to improve the services it offers;
- Monitor and respond to trends and identify opportunities for new programmes and uses of venues and facilities where return on investment can be optimised; and
- Take a lead role in co-ordinating programme provision with others, be willing to innovate more and introduce new content, taking risks where considered manageable.

4.5 Building partnership and collaboration

MonLife sees itself as part of the community it serves. It will work in a close partnership with MCC as well as developing a wide range of partnerships to support its services. The business will listen to others and be involved in genuine community partnerships. Matching ambitions and community aspirations with increasingly demanding funding constraints will require partners to plan together in the best interests of the area we serve and not to compete. MonLife will want to be recognised as the partner of choice.

In its first 5 years MonLife will:

- Demonstrate how it provides a good social and environmental return on investment through the long term performance framework and future generations principles;
- Engage with partners to share any available research that would help us better understand community needs and be open to joint commissioning of research;
- Work with an increased range of local and national partners who ideally will describe MonLife as an excellent partner to work with;
- Ensure a wide range of views and contributions are taken account of in the Action Plans
- Build in accessible opportunities for engagement of communities and customers in our planning for improvement from the outset; and
- Grow our presence and influence within the community planning and well-being framework.

5. BUSINESS PLAN DELIVERY

MonLife is confident that it can deliver its Business Plan making best use of available resources, having robust action plans and effective monitoring of progress. The action plans are summarised in the Appendices.

5.1 Financial Strategy

This business plan assumes that funding from Monmouthshire County Council for the next 5 years will be at a reducing annual fee. MonLife will therefore need to ensure that it can fund future inflation and other price increases. This will be achieved by a combination of additional income generation, efficiencies and service reductions.

To minimise the financial impact on services, the financial strategy has to focus on maximising income, particularly through increased participation, as well as reducing expenditure by improved efficiency.

MonLife will operate with a small annual surplus from year one, with surpluses increasing gradually as new income streams come on line over its first five years. By year five MonLife will have generated a small reserve of £0.340m which it will use as a buffer against contingencies and to provide working capital for new developments and improvements.

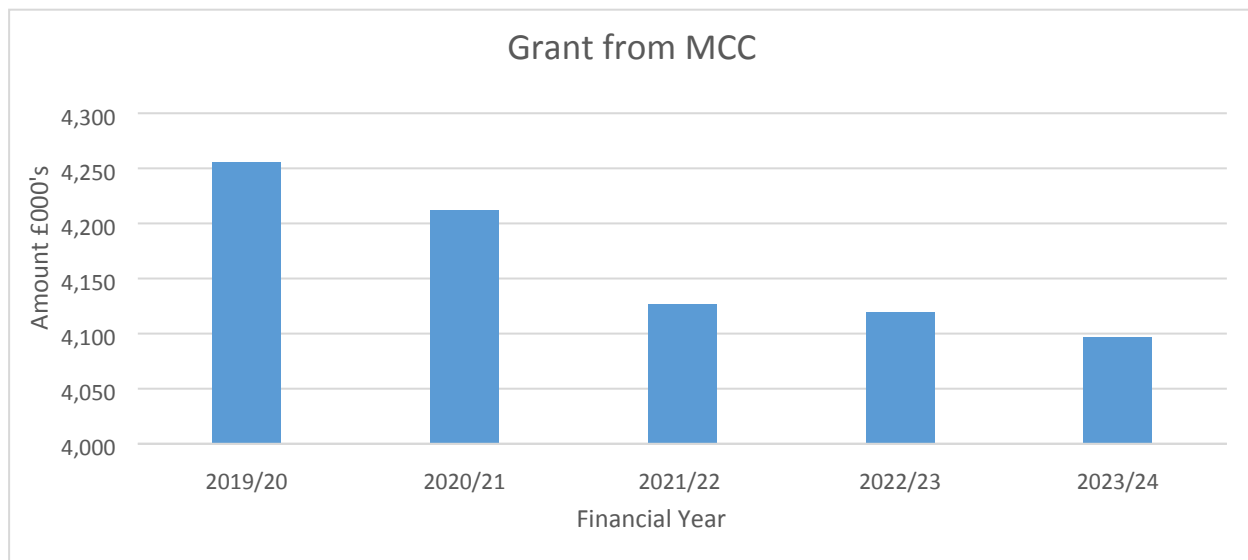
The financial projections are based on prudent assumptions and are robust. Appendix 9 provides details of the assumptions used and the likely cash flow forecast. We are very confident in the leadership and staff to deliver or exceed these target figures.

Table 1 – Financial Plan Estimates of Income and Costs 2019 – 2024

MONLIFE	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	Five Year Total £000's
Grant from MCC	4,255	4,212	4,127	4,119	4,097	20,810
Grant Income	515	535	538	542	546	2,677
School Income	382	386	390	394	398	1,951
Other Income	4,173	4,473	4,881	5,163	5,374	24,064
Total Income	9,326	9,607	9,936	10,217	10,415	49,501
Staffing Costs	6,291	6,442	6,638	6,758	6,875	33,004
Premises Costs	966	991	1,025	1,052	1,075	5,108
Transport Costs	112	114	117	121	124	588
Supplies & Services	1,077	1,140	1,253	1,300	1,344	6,113
Contracts	195	200	205	210	215	1,023
Internal support Services	601	607	579	578	577	2,942
Capital Financing Costs	35	49	50	124	124	382
Total Costs	9,276	9,542	9,866	10,142	10,335	49,161
Net Surplus	50	65	70	75	80	340

The table demonstrates how MonLife will grow gradually over its first five years, returning a small surplus (profit) each year. This is in marked contrast to the expected position were its services to remain within Monmouthshire County Council.

MonLife will achieve this growth by increasing revenue from outside the council and making savings on Business Rates. It will also make efficiency savings through operating in new ways. It will do all this whilst working with a slowly reducing council subsidy as the next chart shows.



The result for the people of Monmouthshire will be:

- Improving services for the next five years (more and better quality)
- Lower costs to the council (a saving of approximately £1.5 million in five years over what MCC would have spent if its services had remained as they are)

As an independent group, MonLife will have access to funding from grant making trusts and charities, as well as tax benefits associated with charitable status. It will be able to respond quickly to market conditions and opportunities.

MonLife will build new relationships with the public and the communities it serves, increasing the involvement and participation of local people and helping to build social value.

5.2 Performance and Evaluation Framework

MonLife will have an integrated business planning, monitoring and evaluation framework across all of its activities to measure performance, evidence impact and drive continuous improvement, i.e. one shared framework embracing MonLife and the associated trading subsidiaries. Supporting this Business Plan will be annual SMART action plans for MonLife's teams and key delivery programmes. This performance and evaluation framework which is set out at Appendix 5 will enable the Boards of Directors / Trustees of MonLife, and the trading subsidiary to assess their own performance and will also embrace the Council's performance reporting requirements as principle funder / sponsor.

The performance and evaluation framework will develop over time as MonLife establishes and progresses new programmes for delivery.

The performance framework also embraces customer and user engagement, including:

- Customer focussed surveys (of user & non-user)
- Direct user engagement and feedback
- Continuing to promote quality volunteering opportunities, including mechanisms to gauge volunteer feedback
- Maintaining arrangements to respond to FOI requests, undertake investigations, carry out dispute resolution and respond to complaints / complements

Feedback will be considered by teams and senior management team and any resulting actions identified in team or programme action plans as appropriate.

MonLife is committed to the effective management of risk given its exposure to a wide range of risks and threats in delivering key services to communities. MonLife recognises the need to identify, evaluate and manage those risks that threaten the delivery of services to the community and the health and safety of its service users, employees, partners and the public at large. Risk management will include:

- Maintaining a strategic risk register
- Enabling scrutiny and external assessment of key risks
- Identifying operational risks as part of team and programme action plans
- Utilising a RAG review / exception reporting process across all team and programme action plans
- Project specific risk assessments
- Maintaining safeguarding procedures in line with existing policies
- Ensuring equalities, data protection / GDPR and other requirements are met
- Oversight by the MonLife Board.

Many of MonLife's services operate within a regulated, inspected and accredited environment. This varies from mandatory licensing of the outdoor education and Duke of Edinburgh Award services; statutory inspections of youth services; assessment of industry safety and qualification standards (e.g. lifeguards), through voluntary accreditation of quality standards for fitness provision, museums, attractions and green spaces. MonLife will continue to seek relevant external accreditation and quality assessment and explore new opportunities to do so as it develops.

In addition, MonLife will add a longer-term outcome focus as an Outcome Measurement Framework is developed. The intent is to build an outcome measurement framework that will embrace all of MonLife's activities and fully reflect what MonLife does and wants to achieve. This will allow MonLife to refine and develop its performance measures annually. Developing an outcome measurement framework will take time, as it needs to fully reflect MonLife's ambitions; align with the measures established under national and local frameworks for well-being plans; and be sufficiently robust without being beyond MonLife's ability to implement and report on.

The objectives and priorities described in this Business Plan will be delivered through a series of annual action plans. The Annual Action Plan will consist of activities that directly contributes to this Strategy. Key priorities are outlined in appendix 2. Delivery of the Annual Action Plans will be managed across all our Business functions as well as project plans for developing key initiatives. An indication of the

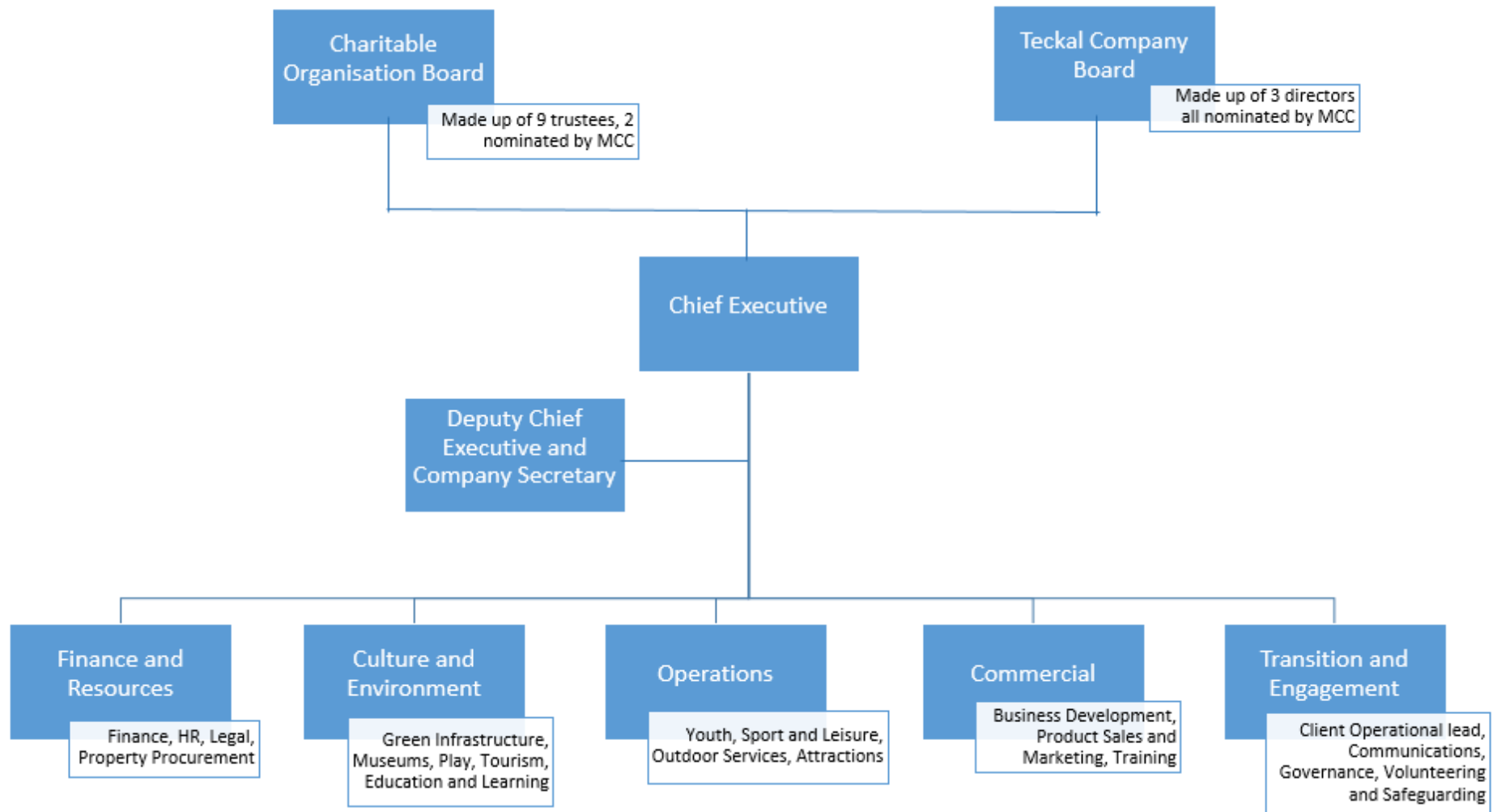
likely annual action plans are shown at appendix 3 and 4 and their impact on the Well-being of Future Generations Goals & Principles at appendix 8.

6. Conclusion: MonLife - delivering and improving services for everyone in Monmouthshire

MonLife is a new way to provide public services for Monmouthshire County Council. It is led by a dynamic and committed Board, leadership team and group of staff who are fully committed to developing this new model and progressing future plans. With support from the Council and the engagement of people across the county MonLife will deliver more and improved services at lower cost to the council. It will contribute to help make Monmouthshire a more active and healthy place in which to live and work.

MonLife will help to improve and enrich the lives of the citizens of Monmouthshire, and its many visitors by bringing the services in to a single, agile and enterprising new organisation. Much needed investment in facilities and services will ensure that MonLife delivers a product that is fit for purpose and future generations to come. Through clear leadership and a motivated team with continuous monitoring of performance MonLife will be an efficient model that is both aspirational and driven towards delivering what matters to the citizens of Monmouthshire.

Appendix 1 – Proposed Structure



Appendix 2 - MonLife Service Strategy and Priorities 2019 – 2022

Service Area	Strategy
All Services	To develop and promote an enterprising culture, which builds business resilience and creates excellent outcomes for our communities. Maximise the offer and make key decisions based on accurate data business intelligence and a clear outcome measurement framework across TLCY. Be more commercially focused and sweat assets to ensure there is a comprehensive re-invest and re-design program to further develop and grow the customer offer.
Leisure Centres	Providing facilities and activities that are designed to enhance the quality of people's lives and improve the health of our communities. There also needs to be a key focus on income generation to maximise opportunities and grow the business to re-invest in facilities and services.
Youth Service	Providing informal and non-formal learning opportunities supporting and enabling young people to develop holistically, facilitating their personal, social and educational development in order for them to reach their full potential. There is also an opportunity to develop programs in Youth and other services in Leisure and Outdoor Education with a dedicated joined up program of activities for ages 0-24.
Outdoor Education	Providing high quality, cost efficient outdoor education and adventure activities across South East Wales and beyond offering residential and day visits for business, school, college, youth and adult groups, Teacher training, CPD, technical skills courses and specialist outdoor services. Maximising the capacity uptake of all 3 facilities is also a key driver moving forwards.
Caldicot Castle & Country Park	Be recognised as a destination that people love, come to learn, to explore and to enjoy themselves in a setting that is beautiful and impressive providing a strong focus for engaging with the local community and for all visitors. Develop an events program that is commercially focussed including conferences and weddings packages and catering and grow the footfall through the site.
Shire Hall	Delivering a high quality, customer driven service, helping to create wonderful memories enabling visitors to connect with our rich history and explore our beautiful building whilst striving to ensure that, whatever the occasion, our guests experience is as special, memorable and impressive as possible. As part of this we will be looking to maximise facility usage for a wide range of activities including weddings, conferences, meetings, birthday parties as well as developing digital tours.

Service Area	Strategy
Tintern Old Station	Providing the best possible customer focussed, accessible tourist attraction while striving to generate economic and social benefits for the local community and also to the visitors to Monmouthshire. There is a real opportunity to grow the commercial element at the Station with investment opportunities on the track, tunnel/store, additional parking areas, glamping, shepherds huts and catering offering.
Museums	Inspiring a passion for Monmouthshire with a mission to bring heritage, collections, arts and culture alive with our communities and visitors. To achieve this we will continue to implement the 5 year museums business plan.
Green Infrastructure & Countryside	To support resilient living and active environments for all. Our focus is on enabling health, activity, ecosystem and economic benefits. To achieve this we take a green infrastructure approach based around multiple benefits, multi-disciplinary and partnership working, wide involvement, volunteering and engagement.
Tourism	To help deliver the destination management plan which aims to increase the competitiveness of Monmouthshire as a year round sustainable tourism destination to grow the economic, environmental and social contribution of Monmouthshire's visitor economy.
Community Events	Bringing people together to enjoy themselves in a safe environment whilst showcasing Monmouthshire's most-loved assets generating additional income to invest back into our quality service and beautiful County.

Appendix 3 – Proposed Action Plans – Ensuring Financial Stability and Sustainability (Net Income Streams)

Area Outcomes Key: 1 -Financial stability and sustainability 2 - Meeting customer needs, developing and delivering valued services 3 - Organisational development, transforming the organisation	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Monitoring & Evaluation			Outcomes		
						Usage	Financial	Customer	Financial	Customer	Organisation
Leisure Centres											
The Monmouthshire Games New programme of sporting opportunities during all school holiday periods with the aim of growing a database of children who consistently attend.	£4,000	£9,990	£12,970	£17,950	£22,929	√	√	√	√	√	√
Personal Instructors The intention is to extend the current number of Personal Instructors from 1 to 3 per site with no additional cost.	£9,600	£9,840	£10,086	£10,338	£10,648		√	√	√	√	√
Swimming Lessons We will aim to increase our current Learn to Swim program by 81 children at £19.00 per membership.	£6,000	£10,650	£11,791	£12,924	£15,547	√	√	√	√	√	√
Abergavenny Re-design Extension of the existing fitness suite from 30-40 to 50-60 stations and free weights area based on a latent demand of 288 members.				£76,700	£79,206	√	√	√	√	√	√
Monmouth Treatment Room New treatment and beauty therapy offer	£16,500	£23,300	£28,875	£35,325	£42,648	√	√	√	√	√	√
Tourism											
Sale of Merchandise Developing and expanding our existing range of goods for resale.		£2,000	£3,000	£3,000	£6,000		√	√	√	√	√
Catering New café income dependent on securing grant funding to establish Wye Tour Tea Room.	£250	£1,500	£6,500	£11,860	£17,769	√	√	√	√	√	√
Outdoor Education											
Training Attract new client groups from schools outside of Gwent area including the private sector and corporate organisations	£8,000	£10,500	£12,000	£16,000	£20,300	√	√	√	√	√	√
Creation of a camp site at Hilston Park Extension of existing contract with NCS and the pods could enable an additional 2 activity groups to be accommodated.	£7,000	£26,000	£35,000	£35,000	£35,640	√	√	√	√	√	√
Activity with Schools Increase occupancy levels by 10% at Hilston and Gilwern for year 1 and 2 and 15% year 3 onwards.	£4,700	£6,600	£7,400	£7,500	£11,850	√	√	√	√	√	√

Area						Monitoring & Evaluation			Outcomes		
Duke Of Edinburgh Award Increasing uptake of existing course.	£4,300	£6,600	£7,400	£7,500	£11,850	√					
Lodge Rental Rental of lodge / international house	£14,000	£17,085	£17,514	£17,514	£17,819	√	√	√	√	√	√
Tintern Old Station											
Train Rides Provide train rides and gain total ownership of the track to operate year round.	£6,800	£10,700	£10,525	£10,348	£10,269	√	√	√	√	√	√
Shepherds Hut Introduce one unit in Year 2 with an additional unit coming in years 3 and 4.		£13,100	£12,362	£12,762	£13,173	√	√	√	√	√	√
Car Parking Introduce news ways of collecting car parking income and introduce changes to parking fees.	£3,800	£3,800	£4,800	£4,800	£4,800	√	√	√	√	√	√
Catering Operate the catering offer directly as opposed to on a lease agreement attempting to increase site usage with the above projects.			£39,250	£30,475	£31,874	√	√	√	√	√	√
Caldicot Castle											
Mobile and other Catering Offer The introduction of a mobile catering offer in the country park and increased uptake of new café within the Castle grounds.	£2,500	£6,000	£7,000	£7,500	£16,780		√	√	√	√	√
Shire Hall											
Pop Up Restaurants Deliver 3 events per year	£2,712	£5,626	£5,767	£5,911	£6,242	√	√	√	√	√	√
Museums											
Gift Aid Gift aid on donations	£1,500	£2,000	£3,000	£3,250	£3,500	√	√	√	√	√	√
Abergavenny Room Hire Increase the amount of general room hire and rents and ground hire at Abergavenny Museum for Weddings and Corporate Events.	£1,200	£3,000	£7,300	£6,900	£6,900	√	√	√	√	√	√
Training Academy Deliver internal and external courses (includes MonAcademy)	£6,000	£14,300	£19,000	£16,400	£21,400	√	√	√	√	√	√
Grants & Sponsorship Target grant funding and sponsorship		£20,000	£23,000	£26,450	£30,418	√	√	√	√	√	√
Digital Marketing Digital screens selling advertising at all sites		£13,900	£14,248	£14,960	£16,496	√	√	√	√	√	√

Appendix 4 – Proposed Action Plans – Meeting Customer Needs and Organisational Development

Outcomes Key: 1) Financial stability and sustainability 2) Meeting customer needs, developing and delivering valued services 3) Organisational development, transforming the organisation	Year 1	Year 2	Year 3	Year 4	Year 5	Outcomes		
	2019/20	2020/21	2021/22	2022/23	2023/24	1	2	3
	1. FINANCIAL STABILITY AND SUSTAINABILITY							
Marketing & Support (including branding)								
• Marketing Strategy								
Finalise a MonLife Marketing Strategy across all activities	√					√	√	√
Finalise and implement MonLife branding across the organisation in phases	√	√	√	√	√	√	√	√
Develop a new web presence for MonLife	√	√				√	√	
• Developing Marketing and Sales								
Appoint a marketing Manager and Implement a Marketing and Sales Team to develop a strategy across the group to ensure all commercial opportunities are maximised and there is a clear commercial direction.	√	√	√	√	√	√	√	√
Develop a team of staff who have the skills, knowledge and confidence to work and sell across many different areas of the business.	√	√	√	√	√	√	√	√
Digital Marketing: Sponsorship and digital screens selling advertising		√	√	√	√	√		
• Enhancing Support Services								
Rationalise Support services - introduce shared back office systems and team designed to take bookings across the group, process sales, record and report accurate data and analyse performance to make informed decisions for the business	√	√				√	√	√
Review IT systems and support	√	√				√	√	√
Achieving procurement savings	√	√	√	√	√	√		
Achieving energy savings	√	√	√	√	√	√		
Sustaining income								
• Increasing membership and uptake								
Leisure Sites Increase usage of sites	√	√	√	√	√	√	√	
The Monmouthshire Games and Dryside Sport Activities additional income supplemented by bi-products (e.g. football camps).	√	√	√	√	√	√	√	
Extending the current number of Personal Instructors from 1 to 2 per site	√	√	√	√	√	√	√	
Swimming Lessons increasing uptake	√	√	√	√	√	√	√	
Continue with a 50-week Learn to Swim Programme and aim to convert 99% of all junior swimmers over to Direct Debit.	√	√	√	√	√	√	√	
Grow our existing membership database through an innovative sales and marketing plan and focus on the Membership Wellness Journey and new Roadmap for retention	√	√	√	√	√	√	√	
Increase our membership growth with the introduction of Monmouth Leisure Centre re-design	√	√	√	√	√	√	√	

Outcomes Key:		Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24	Outcomes		
1) Financial stability and sustainability	2) Meeting customer needs, developing and delivering valued services						1	2	3
3) Organisational development, transforming the organisation									
	Outdoor education – increase schools occupancy	√	√	√	√	√	√	√	
	Duke of Edinburgh Award – increase uptake	√	√	√	√	√	√	√	
	Old Station Tintern – Increase frequency and use of miniature train rides	√	√	√	√	√	√	√	
	• Improving our catering offer						√	√	
	Chepstow TIC café - Sales of food drink snacks etc.	√	√	√	√	√	√	√	
	Caldicot Castle – Introduction of year round mobile catering facility in County Park.	√	√	√	√	√	√	√	
	Shire Hall – Popup restaurants	√	√	√	√	√	√	√	
	Tintern Old Station - Operate in house catering facility			√	√	√	√	√	
	• Developing our wedding and celebration offer								
	Coordinating and developing the wedding, celebration and events offer across attractions and venues	√	√	√	√	√	√	√	
	Caldicot Castle & Shire Hall - Maximise wedding offer, increase general bookings	√	√	√	√	√	√	√	
	Abergavenny castle – Ground hire (Weddings, Corporate Events)	√	√	√	√	√	√	√	
	• Other traded activity								
	Outdoor education – other traded activity	√	√	√	√	√	√	√	
	Chepstow TIC / Visit Monmouthshire - Other traded activity with the public		√	√	√	√	√		
	Old Station Tintern – car parking charges	√	√	√	√	√	√	√	
	GI/Countryside - Consultancy Work for Other Bodies / Local Authorities etc.	√	√	√	√	√	√		
	Youth Service - Income for County Wide Events - Pride / summer camp etc.	√	√	√	√	√	√	√	
	Youth Service - Sponsorship Activities / Partnership work	√	√	√	√	√	√		
	• Grants / Donations								
	Cover increased proportion of delivery costs through grant income growth		√	√	√	√	√		
	Donations / Gift Aid on donations	√	√	√	√	√	√		
	• Investing in our facilities								
	Invest in our facilities to re-design areas ensuring they provide opportunities for growth and sustainability i.e. Monmouth and Abergavenny LC plans.						√	√	
	Abergavenny LC 50-60 Station Fitness Suite Extension of fitness suite from 30-40 to 50-60 stations and free weights area.				√	√	√	√	
	Introduction of a new treatment and beauty therapy offer at Monmouth LC.	√	√	√	√	√	√	√	
	Hilston Park – Develop camp site with camping pods	√	√	√	√	√	√	√	
	Hilston Park – Develop visitor accommodation rental	√	√	√	√	√	√	√	
	Gilwern OEC – Increase usage of International House		√	√	√	√	√	√	
	Old Station Tintern – Shepherds Huts as visitor accommodation	√	√	√	√	√	√	√	

Outcomes Key: 1) Financial stability and sustainability 2) Meeting customer needs, developing and delivering valued services 3) Organisational development, transforming the organisation		Year 1	Year 2	Year 3	Year 4	Year 5	Outcomes		
		2019/20	2020/21	2021/22	2022/23	2023/24	1	2	3
2. MEETING CUSTOMER NEEDS, DEVELOPING AND DELIVERING VALUED SERVICES									
Service delivery and development & widening participation									
• Exercise referral									
Continue to explore existing exercise referral routes and new routes for citizens to access the National Exercise Referral Scheme in Monmouthshire.		√	√	√	√	√	√	√	
Increase the percentage of people participating in the exercise referral scheme still active after 16 weeks.		√	√	√	√	√	√	√	
• Widening sports participation									
Continue to explore new routes for the continued participation in sport, inclusive participation and physical activity.		√	√	√	√	√	√	√	
Develop sport leadership and volunteering opportunities to provide the necessary skill base for our future workforce (developing leaders today for tomorrow).		√	√	√	√	√	√	√	√
Increase the opportunities for children and young people to engage in sport & physical activity delivery through delivering the play maker programme, training & support.		√	√	√	√	√	√	√	
Increase the number of children participating in swimming lessons.		√	√	√	√	√	√	√	
• Youth work									
Provide open access youth work provision to meet local need and identified gaps.		√	√	√	√	√	√	√	
Deliver specific and targeted provision for the most vulnerable young people.		√	√	√	√	√	√	√	
To support young people's social, emotional and intellectual development through the Youth Work curriculum		√	√	√	√	√	√	√	
Facilitating educational and recreational trips and visits.		√	√	√	√	√	√	√	
• Duke of Edinburgh Award									
Provide the young people of Monmouthshire with the opportunity to participate in the Duke of Edinburgh Award.		√	√	√	√	√	√	√	
• Play									
Support the delivery of good quality play opportunities by delivery of the Play Action Plan		√	√	√	√	√	√	√	
Offering open access inclusive play opportunities for children and young people.		√	√	√	√	√	√	√	
• Outdoor Activity									
Develop marketing to source new client groups and to ensure existing clients are aware of developments and opportunities for innovative programmes (Outdoor Education)		√	√	√	√	√	√	√	
• Develop the countryside access / walking offer									
Progress the Rights of Way Improvement Plan Review in accordance with the approved timetable / statutory deadline (Countryside Access)		√	√	√	√	√	√	√	

Outcomes Key:		Year 1	Year 2	Year 3	Year 4	Year 5	Outcomes		
1) Financial stability and sustainability	2) Meeting customer needs, developing and delivering valued services	2019/20	2020/21	2021/22	2022/23	2023/24	1	2	3
3) Organisational development, transforming the organisation									
	Promote activity through opportunities for outdoor recreation, including walking, and for volunteering, engagement and learning including Fit4Life walking groups	√	√	√	√	√	√	√	
	Developing the walking product	√	√	√	√	√	√	√	
	• Attractions								
	Develop and improve offer at Caldicot Castle and in the country park through catering, business conferences, weddings and learning programmes	√	√	√	√	√	√	√	
	To run the miniature train at Old Station Tintern throughout the whole season by building a storage solution	√					√	√	
	Continue to deliver a varied programme of local events across all our venues.	√	√	√	√	√	√	√	
	Develop a sustainable future for Monmouthshire's Tourist Information Service through development of new income streams including an eShop and locally distinctive café, and best practice visitor information provision.	√	√	√	√	√	√	√	
	Deliver a further 4 wooden sculptures for the community shelter (Old Station)								
	Deliver a fun railway experience for visitors (Old Station)								
	• Learning								
	Learning – developing our formal and informal learning offer	√	√	√	√	√	√	√	
	Build on our reputation as a centre for learning (Shire Hall)	√	√	√	√	√	√	√	
	• Supporting people with Dementia								
	Develop and maintain provision for people with dementia including memory boxes and reminiscence café's	√	√	√	√	√	√	√	√
	Obtain funding for and implement the Creative Lives, Active Lives project	√	√	√	√	√	√	√	
	• Museums								
	To ensure we have a depth and breadth of skills to provide a professional museum offer.	√	√	√	√	√	√	√	√
	To increase and widen our user base and raise awareness of Monmouthshire Museums as part of the wider Arts and Culture offer.	√	√	√	√	√	√	√	
	Contribute to a vibrant community by adapting to work in new and innovative ways	√	√	√	√	√	√	√	
	Ensure museum shops run efficiently and effectively.	√	√	√	√	√	√	√	
	Develop outdoor offer at Abergavenny Castle through events programme/ possible provision of a covered structure								
	• Environment & Culture								
	Deliver the Biodiversity and Resilient Ecosystems Forward Plan	√	√	√	√	√	√	√	
	Participate with Natural Resources Wales and others in the co-production and implementation of the Area Statements required under the Environment Act (Wales)	√	√	√	√	√	√	√	
	Contribute to the delivery of the Living Levels Landscape Partnership scheme	√	√	√			√	√	

Outcomes Key:		Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24	Outcomes		
1) Financial stability and sustainability							1	2	3
2) Meeting customer needs, developing and delivering valued services									
3) Organisational development, transforming the organisation									
	Protect and enhance the resilience of our natural and local environments through enhancing green infrastructure, local heritage, arts and culture	√	√	√	√	√	√	√	
	Support more opportunities for local living, working & leisure by delivering the destination management plan and co-ordinated green infrastructure advice								
	• Destination Development								
	Deliver and monitor the revised Monmouthshire Destination Management Plan and new destination partnership arrangements	√	√	√	√	√	√	√	
	Continue to promote Monmouthshire to group travel / travel trade and business tourism markets through membership of Southern Wales and Meet Gateway South Wales consortia.	√	√	√	√	√	√	√	
	Continue to undertake destination research and provide tourism business support, including data stewardship of the Wales Tourism Product Database which provides content for destination website, visitor information kiosks and visitwales.com	√	√	√	√	√	√	√	
	3. ORGANISATIONAL DEVELOPMENT, TRANSFORMING THE ORGANISATION								
	Developing our people								
	• Ensuring safeguarding								
	To deliver robust safeguarding processes within TLCY services.	√	√	√	√	√	√	√	
	• Developing Staff								
	Develop a Training Academy a dedicated role coordinating and delivering specific courses.	√	√	√	√	√			√
	Introduce an employee performance and development plan (PDP) approach and measures of staff engagement	√	√	√	√	√			√
	Establish and maintain a staff forum	√	√	√	√	√			√
	• Promoting & supporting volunteering								
	To proactively implement the volunteering programme and recruit volunteers	√	√	√	√	√			√
	Managing our assets better								
	To develop a Heritage Strategy to embed the skills and knowledge required to sustain, manage and develop MonLife' s heritage assets and conduct a Museum Collection Review	√	√					√	√
	To develop capital bids arising from the Heritage Strategy / Museum Collection Review			√	√	√	√		
	To prepare Green Infrastructure Management Plans for all of MonLife' s greenspaces / sites and support their implementation	√	√	√	√	√		√	√
	Measuring Impacts								
	• Performance & Evaluation Framework								

Outcomes Key: 1) Financial stability and sustainability 2) Meeting customer needs, developing and delivering valued services 3) Organisational development, transforming the organisation	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24	Outcomes		
						1	2	3
						Establish the proposed Performance and Evaluation Framework including reviewing business processes and procedures, maintaining external accreditation, developing and consolidating the performance indicator framework, risk assessments and team and programme action plans / project plans	√	√
Develop the Outcome measurement Framework to provide a long-term basis for future impact assessment and refine the performance indicator framework as this work develops	√	√	√	√	√	√	√	√

Appendix 5 – Existing Key Performance Indicators and Monitoring and Evaluation Methodology

Service Area	Existing KPI's	Current Reporting Periods & Processes	Current Monitoring & Evaluation
Leisure	<p>User numbers for visits in relation to Physical activity collected for WG as part of the NAWPI submissions.</p> <p>New and cancelled members, growth, retention and attrition rates.</p> <p>Swimming lesson uptake and DD breakdown.</p> <p>Case studies – seek to undertake 1 a month for use on social media and to report to funders (evidence building).</p>	<p>Reported on 6 months and annually</p> <p>Monthly reports completed as part of an overall membership monitoring performance dashboard.</p> <p>Report regularly in agreement with funders.</p>	<p>This is used to share with staff on site to assist with performance monitoring and healthy local competition.</p> <p>Share data on social media and website when possible.</p> <p>See Mon Leisure Twitter/Facebook for examples.</p>
Youth Service	<p>Whole service is based on feedback and conversations with young people and stakeholders, whether that be about activities or trips in youth clubs, or where youth work happens around the County.</p> <p>Collected through Case Studies, Emails, Outcomes Stars, Evaluation Forms, and Anecdotes.</p> <p>Compliments and complaints are recorded for SP's.</p> <p>All courses delivered are evaluated.</p> <p>Service has a national Quality Mark in Youth Work tool which is used for self-assessment. Checks that doing everything that is expected of a quality youth service.</p>	<p>Reported to the annual Youth Service audit, the annual Youth Service report, and Integrated Youth Offer report.</p>	<p>Information is used to inform change and direction in the service.</p> <p>Ensures constant and regular improvement for team to ensure better offer to our young people and stakeholders.</p>
Outdoor Education	<p>User numbers for Talybont Project Data for Big Lottery</p> <p>Big Lottery undertook their own evaluation visit 12-18 months after project completion but focus was on how the 4 authorities involved worked together for future learning.</p>	<p>The online customer feedback survey is part of a scheme run by the Association for Heads of Outdoor Centres. The same questions are used across the UK. This provides opportunities for nation-wide comparison, and can help to pressure government for support.</p>	<p>Use customer feedback to look for ideas for potential changes needed, and reassurance that things are going well and to standard.</p> <p>The drive to finish the improvements at Talybont has been strongly driven by customer feedback.</p>

Service Area	Existing KPI's	Current Reporting Periods & Processes	Current Monitoring & Evaluation
	<p>Customer Feedback is regularly recorded. Every child and teacher given opportunity to feedback online (back in Classroom).</p> <p>Focus is on recording how the person has developed. Form includes tick boxes and chance to comment. Findings can be filtered by keyword, site or trends. However, very school focused so not helpful for corporate users.</p> <p>All staff can access this feedback system.</p>	Used to do an annual report to the Gwent Forum (multiple local groups including Gwent Music, Library Service, Hearing & Visually Impaired).	
Caldicot Castle	<p>Visitor Numbers.</p> <p>Event numbers through advanced ticket sales.</p> <p>Numbers for wedding parties but general visitors to the park are unknown.</p> <p>Small database of previous users.</p>	<p>Visitor numbers are included in the (STEAM) data and quarterly Service Plan (SP).</p> <p>The SP also monitors VAQAS, Green Flag and Trip Advisor scores.</p>	<p>Helpful for targeted marketing.</p> <p>Supports audience development plan.</p>
Shire Hall	<p>User numbers – people counter on front door.</p> <p>Wedding/Meeting Hire post event feedback questionnaire.</p> <p>Community Groups – audited last year through a feedback form (tick boxes).</p>	User numbers – feed into SP	<p>Review feedback and decide if need to act on.</p> <p>Any complaints are brought to the staff's attention at the time.</p>
Old Station Tintern	<p>Visitor statistics on a regular basis (counted by desk). Count both cars and people using a clicker on busy days.</p> <p>Regular staff surveys.</p>	<p>Report on visitor statistics for STEAM figures.</p> <p>Also report to Tourist Board but only for tent camping figures.</p>	Feedback received used to inform decision making.
Countryside	<p>Number of path users via counters mainly on key promoted routes.</p> <p>Rights of way issues and resolution via CAMS database.</p> <p>Customer feedback.</p> <p>Volunteer hours / numbers (some project specific).</p> <p>Measures of performance on planning consultations.</p> <p>External evaluation via Green Flag Award accreditation i.e. Castle Meadows.</p> <p>Project reporting (to meet funder's requirements).</p>	<p>Report regularly (mainly annually) in agreement with funders. Mainly quantitative / reports on implementation progress.</p> <p>Most other data is collected quarterly or annually, for SP's, counter data on Wales Coast Path shared with NRW.</p> <p>Data also shared with partners to inform bids.</p>	To report to funders, to provide evidence for SP progress and to help inform new bids (but often lack of qualitative evaluation/ case studies makes this challenging)

Service Area	Existing KPI's	Current Reporting Periods & Processes	Current Monitoring & Evaluation
<p>Museums</p>	<p>Tourism data around walking.</p> <p>Visitor statistics recorded at each site on a daily basis. Also record some information around demographics and numbers of social media users, learning service users and Supporter Scheme members for KPIs.</p> <p>Visitor feedback is requested on site through visitor books, and through regular questionnaires related to certain exhibitions or activities, which is often for the purposes of reporting to funders.</p>	<p>Collated by Custodian staff and project staff.</p> <p>Closely monitored by museum management team.</p>	<p>Feedback is used to improve/amend services when possible.</p> <p>Information on our visitors is also used to back funding applications.</p>
<p>Tourism</p>	<p>Provide evaluation information against all grants using reporting criteria set by grant givers and need to provide evidence that we have delivered on outputs/value etc.</p> <p><i>Examples:</i></p> <p>RDP – (quantitative) number of businesses, value of conversion, economic benefit, marketing campaigns.</p> <p>TIS – show growth in number of enquiries, events, page views, social media followers etc.</p> <p>STEAM – used to calculate the settlement figure for local authorities.</p> <p>User numbers – TICs have sensor by the door, which counts the number of visitors.</p> <p>Marketing - Performance is monitored – e.g. websites, social media accounts, visitor survey results.</p>	<p>Continual evaluation.</p> <p>Tourism is one of the most audited departments – grant application outputs and STEAM.</p> <p>Also have to report regularly to Select Committee.</p> <p><i>Example</i></p> <p>STEAM – audited procedure on how collected. Used to show economic impact and allow comparison with other LA's including:</p> <p>Bed stock (also for Euro stats)</p> <p>Visitors to attractions, events, TICS</p> <p>Occupancy levels</p>	<p>Feedback informs all that Tourism do and have to prove it!</p>

Appendix 6 – Current Performance Dashboard for Leisure Services

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B3
Row Labels

Year

2016/17 | 2017/18

2012/13 | 2013/14

2014/15 | 2015/16

Site

Abergavenny | All Sites

Caldicot | Chepstow

Monmouth | MonLeisure

Indicator

Cancelled Members

Cancelled Members Without Aqua

Members v Target

Membership Variance

Membership Variance Without Aqua

New DD Members - Annual

New DD Members - AQUA

New DD Members - CMSDD

Monthly Breakdown

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total	3565	3497	3426	3405	0	0	0	0	0	0	0	0

Site Comparison

Site	Membership
Monmouth	733
Chepstow	982
Caldicot	806
Abergavenny	905

Yearly Breakdown

Year	Membership
2016/17	3549
2017/18	3426

Summary
Data
Memberships
Swimming
Social Media

Appendix 7 - Well-being of Future Generations Goals & Principles

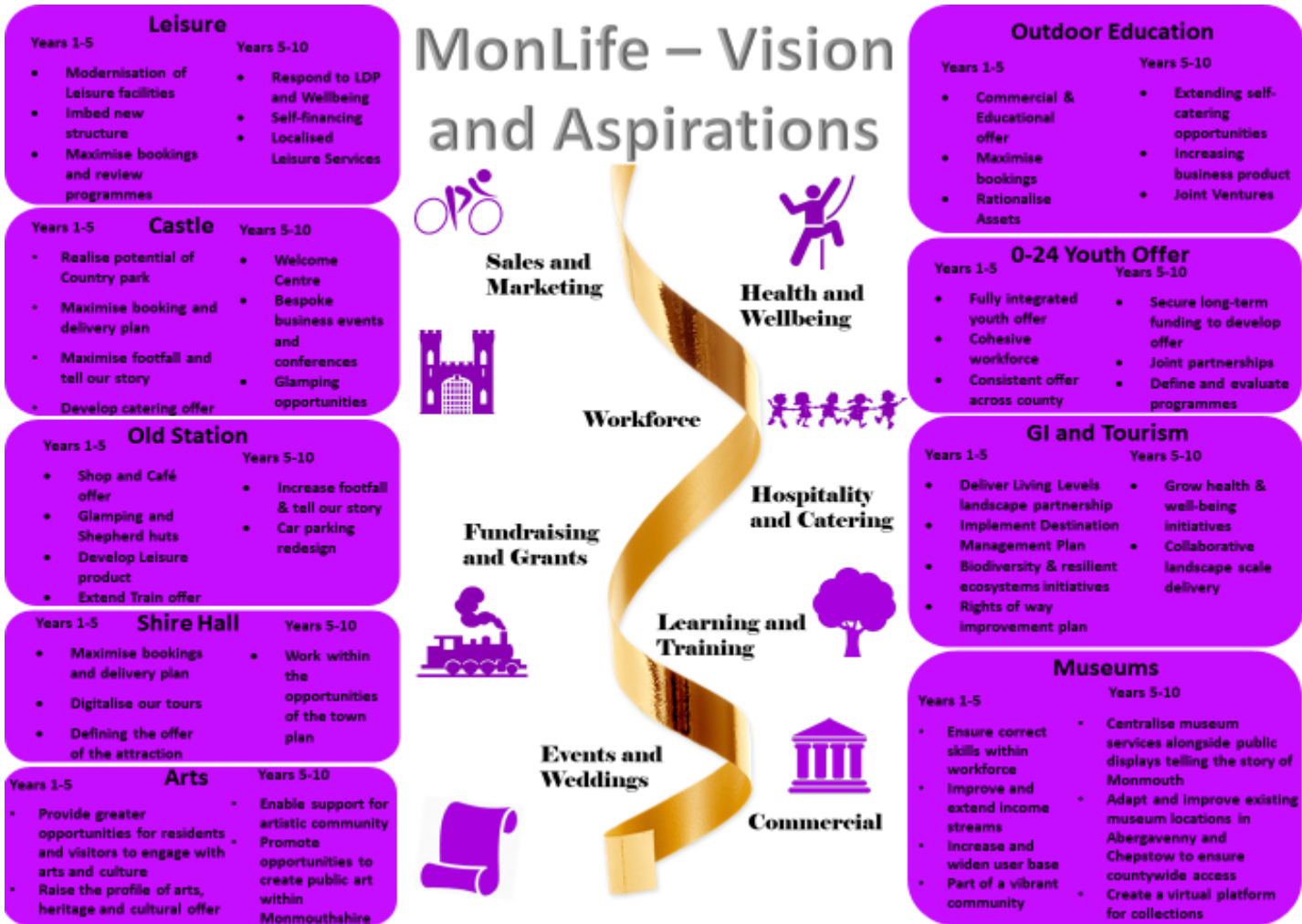
Project / Programme Name	Well-being Principles					Well-being Goals						
	Long Term	Preventative	Integration	Collaboration	Involvement	Prosperous	Resilient	Healthier	More Equal	Cohesive	Vibrant Culture & WL	Globally Responsive
Leisure Centres												
The Monmouthshire Games New programme of sporting opportunities during all school holiday periods with the aim of growing a database of children who consistently attend.	√	√	√	√	√	√	√	√		√		
Personal Instructors The intention is to extend the current number of Personal Instructors from 1 to 3 per site with no additional cost.	√	√				√	√	√	√			
Swimming Lessons We will aim to increase our current Learn to Swim program by 81 children at £19.00 per membership.		√		√		√	√	√				
Abergavenny Re-design Extension of the existing fitness suite from 30-40 to 50-60 stations and free weights area based on a latent demand of 288 members.		√				√		√				√
Continue to explore existing exercise referral routes and challenge a preferred way forward for citizens to access the National Exercise Referral Scheme in Monmouthshire.		√	√	√	√	√	√	√	√	√		
Continue to explore a preferred way forward for the continued participation in sport, inclusive participation and physical activity.		√	√	√	√	√	√	√	√	√		
Develop sport leadership and volunteering opportunities to provide the necessary skill base for our future workforce (developing leaders today for tomorrow).				√	√	√	√		√			√
Grow our existing membership database through an innovative sales and marketing plan and focus on the Membership Wellness Journey and new Roadmap for retention	√	√	√		√	√	√	√				
Continue with a 50 week Learn to Swim Programme and aim to convert 99% of all junior swimmers over to Direct Debit.	√	√				√		√				√

	Well-being Principles					Well-being Goals						
Invest in our facilities to re-design areas ensuring they provide opportunities for growth and sustainability i.e. Monmouth and Abergavenny LC plans.	√	√	√	√	√	√	√	√	√	√	√	√
Tourism												
Sale of Merchandise Developing and expanding our existing range of goods for resale.						√					√	√
Catering New café income dependent on securing grant funding to establish Wye Tour Tea Room.	√					√					√	
Other Trading Activity Development of visitmonmouthshire.com to improve / upgrade the existing website content and functionality for customers to purchase items.	√		√	√	√	√				√	√	√
Deliver and monitor the revised Monmouthshire Destination Management Plan and new destination partnership arrangements	√		√	√	√					√		
Develop a sustainable future for Monmouthshire's Tourist Information Service through development of new income streams including an eShop and locally distinctive café, and a project to identify best practice visitor information provision.	√				√	√	√			√	√	√
Continue to promote Monmouthshire to group travel / travel trade and business tourism markets through membership of Southern Wales and Meet Gateway South Wales consortia.	√			√	√	√					√	
Continue to undertake destination research and provide tourism business support, including data stewardship of the Wales Tourism Product Database which provides content for destination website, visitor information kiosks and visitwales.com	√			√							√	√
Youth Service												
Training Delivering a training model offering qualifications such as: IQA training, EAT training, Wellbeing training.	√	√	√	√	√	√	√	√	√	√		
Provide open access youth work provision to meet local need and identified gaps.	√	√	√	√	√	√	√	√	√	√	√	
Deliver specific and targeted provision for the most vulnerable young people.	√	√	√			√	√		√	√		
Provide the young people of Monmouthshire with the opportunity to participate in the Duke of Edinburgh Award.				√	√	√	√	√	√	√	√	
Tintern Old Station												
Crazy Golf Investment to add an income stream and to lengthen dwell time on site, based on 5% of visitors taking up the offer.				√	√	√		√			√	

	Well-being Principles					Well-being Goals						
To run the miniature train throughout the whole season by building a storage tunnel and taking over sole ownership of the railway track.	√				√						√	
To install 3 wooden camping pods in our camping field and 3 shepherds caravans for Glamping in the tree ridge of big meadow and install electrical hook ups for camper vans.	√					√	√				√	√
To plan an event programme around the existing hire of a wedding marquee.	√										√	√
Museums												
Educational Services We aim to increase the offer of our 4 reminiscence boxes, 6 formal education workshops and 4 school loan boxes.		√	√	√	√	√	√				√	√
Abergavenny Room Hire Increase the amount of general room hire and rents and ground hire at Abergavenny Museum for Weddings and Corporate Events.				√	√	√					√	√
To ensure we have a depth and breadth of skills to provide a professional museum offer.	√			√	√	√					√	
To increase and widen our user base and raise awareness of Monmouthshire Museums as part of the wider Arts and Culture offer.	√		√	√	√						√	√
Contribute to a vibrant community by adapting to work in new and innovative ways.	√		√	√	√	√	√				√	√
Service Wide												
Implement a Marketing and Sales Team to develop a strategy across the group to ensure all commercial opportunities are maximised and there is a clear commercial direction.	√		√	√		√	√				√	√
Introduce a bespoke back office system and team designed to take bookings, process sales, record and report accurate data and analyse performance to make informed decisions for the business	√		√	√	√	√	√				√	√
Develop a team of staff who have the skills, knowledge and confidence to work and sell across many different areas of the business.	√			√	√	√	√				√	√
Outdoor Education												
Develop marketing to source new client groups and to ensure existing clients are aware of developments and opportunities for innovative programmes.	√			√		√	√				√	√
Improvements to buildings and facilities available to client groups.	√					√	√				√	√
Improvements in IT hard and soft ware systems.	√		√	√	√							√

	Well-being Principles					Well-being Goals						
Activity with Schools Increase occupancy levels by 10% at Hilston and Gilwern for year 1 and 2 and 15% year 3 onwards.	√		√	√	√	√	√	√		√	√	√
Caldicot Castle												
Develop and improve offer within the Castle and in the country park through catering, business conferences and weddings and linking it to our learning programme for the Education product.	√		√	√	√	√				√	√	√
Shire Hall												
Develop the existing wedding offer.	√					√					√	√
Green Infrastructure & Countryside												
Deliver the newly approved Biodiversity and Resilient Ecosystems Forward Plan, including developing actions with measurable targets.	√	√				√						
Participate with Natural Resources Wales and others in the co-production of the Area Statements required under the Environment Act (Wales) (South East Wales & Marine Area Statements).			√	√						√		
Progress the Rights of Way Improvement Plan Review in accordance with the approved timetable / statutory deadline	√					√	√	√			√	
Contribute to the delivery of the Living Levels Landscape Partnership scheme	√		√	√	√	√				√	√	
Community Events												
Continue to deliver a varied programme of local events across all our venues.	√		√	√	√	√				√	√	√

MonLife – Vision and Aspirations



Appendix 9 – Background Financial Information

The calculations for all of the financial information contained within this business plan is based upon the existing service budgets for 2018/19. It had been recognised that several services are experiencing financial problems where costs are outstripping the budget and an analysis has identified the areas where services are likely to overspend, both in 2018/19 and 2019/20. These have been identified and the subsequent pressure built into the model. The model also makes assumptions regarding NNDR relief and includes the budget for Leisure’s share of the rates budget that currently sits within the school budget. There are potentially other budgets for school and leisure which for operational reasons have been combined but these will now need to be separated. Work is currently ongoing with the School sites to establish new service level agreements to ensure maximum usage of all sites however the model only assumes that charges to schools will rise in line with inflation.

The model uses the same inflation factors for pay and pension contributions as in the MTFP but differs on other costs (circa £3.7m), in that for 2019/20 and future years, inflation has been built into the model based upon predictions from the Office of National Statistics. The model also takes account of VAT implications for the Charity and has been checked by independent VAT consultants to ensure the correct treatment has been applied.

The model also identifies the extra annual costs of running the MonLife Group and includes a selection of income generating proposals. Income generating options were scored (RAG) and only those that were identified as ‘green’ were included within the model. These proposals were then stress tested and evaluated by an independent consultant to determine their achievability.

Cash Flow Forecast

The model assumes that the grant payment from the Council will be received in four equal instalments on the first day of each quarter. Income and expenditure has then been profiled using a trend analysis from the existing general ledger to ensure the organisation will be solvent. The cash flow table below shows that MonLife would be in surplus throughout every month of the five year grant period.

MonLife - Cash Flow Forecast

Cash Flow - Monthly Surplus	Month 1 £000's	Month 2 £000's	Month 3 £000's	Month 4 £000's	Month 5 £000's	Month 6 £000's	Month 7 £000's	Month 8 £000's	Month 9 £000's	Month 10 £000's	Month 11 £000's	Month 12 £000's
2019/20	714	655	380	991	446	86	729	694	152	1,019	700	50
2020/21	757	708	443	1,049	497	144	784	765	212	1,087	772	115
2021/22	805	768	513	1,107	544	200	830	833	265	1,145	833	185
2022/23	879	854	612	1,210	644	308	943	963	387	1,282	976	260
2023/24	949	931	695	1,288	716	384	1,015	1,046	461	1,360	1,055	340

Public Document Pack Agenda Item 10

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held
on Thursday, 7th March, 2019 at 2.00 pm

PRESENT: County Councillor P. Clarke (Chairman)
County Councillor S. Woodhouse (Vice Chairman)

County Councillors: D. Batrouni, J.Becker, D. Blakebrough, L.Brown, A.Davies, D. Dovey, L.Dymock, A. Easson, D. Evans, M.Feakins, P.A. Fox, R.J.W. Greenland, M.Groucutt, L. Guppy, R. Harris, J. Higginson, R.John, D. Jones, L.Jones, P. Jones, S. Jones, S.B. Jones, P. Jordan, M.Lane, P. Murphy, P.Pavia, M. Powell, J.Pratt, R.Roden, V. Smith, B. Strong, F. Taylor, T.Thomas, J.Treharne, J.Watkins, A. Webb and K. Williams

OFFICERS IN ATTENDANCE:

Matthew Phillips	Head of Law/ Monitoring Officer
Paul Matthews	Chief Executive
Peter Davies	Chief Officer, Resources
Will McLean	Chief Officer for Children and Young People
Nicola Perry	Senior Democracy Officer
Frances Williams	Chief Officer, Enterprise
Julie Boothroyd	Chief Officer Social Care, Safeguarding and Health

APOLOGIES:

County Councillors R. Edwards, G. Howard, S. Howarth and A. Watts

2. Declarations of interest

County Councillor R. Harris declared a non-prejudicial interest in relation to item 6.4 with regards to his position as Vice Chair of Governors at Llantilio Pertholey Primary School; and item 5.1 as a member of the 21st Century School Board.

County Councillor M. Powell declared a non-prejudicial interest in relation to item 6.4 with regards to her being a member of the board of governors at King Henry VIII Comprehensive School.

County Councillor M. Groucutt declared a non-prejudicial interest in relation to item 6.4 with regards to his position as Chair of Governors at Llantilio Pertholey Primary School.

3. Public Questions

None.

4. Chairman's announcement and receipt of petitions

Council received the Chairman's report.

No petitions were presented.

5. Notices of Motion:

5.1. From County Councillor D. Batrouni
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MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held on Thursday, 7th March, 2019 at 2.00 pm

The Leader responded that the whole Council approach is to deliver the schools, collectively and without political bias. The administration fully supports the four school strategy. The capital grant element has been lifted to 65% rather than 75% stated in the motion.

Councillor Groucutt supported the motion recognising the challenges faced by our schools. With four new comprehensive schools we can deliver high class teaching allowing needs to be met.

The Cabinet Member recognised that the raise in funding ratio demonstrates that Welsh Government have listened to local authorities. He confirmed that the Council remain committed to the four school strategy. He added that Chepstow School is now under new leadership, and is keen to redevelop the school as soon as is affordable. He remains passionate about the proposals for King Henry VIII School. Councillor John proposed an amendment to the motion:

That this Council notes and welcomes the Welsh government's announcement to increase its capital grant to 65% for the 21st century school programme. Further notes that the Mutual Investment Model's (MIM) intervention rate has been increased to 81% if that option is chosen. Therefore, the Council asks the administration to bring forward the rebuilding of Chepstow Comprehensive school as soon as possible so the families and young people of Chepstow get a 21st century school sooner than currently anticipated.

The amendment was seconded by Councillor Fox.

During discussion it was suggested that if the MIM proves advantageous Council should look to develop Chepstow School ahead of 2024.

Upon being put to the vote the motion was carried.

6. Members Questions:

6.1. From County Councillor P. Pavia to County Councillor S. Jones

The Cabinet Member responded that in January this year Welsh Government signed a grant agreement with BT around the next phase of rollout for Monmouthshire for Superfast Cymru 2, and along with officers, Councillor Jones is to meet with WG officials on 19th March 2019 to discuss the next phase of the rollout. She added frustrations around the rollout of Superfast Cymru, both the first phase and the planned development of the second phase. Current digital deprivation rate within Monmouthshire currently stands at 12.5% in comparison to the other Cardiff Capital Region Local Authorities who sit at 3% to 4%.

Research suggests that the next phase is unlikely to solve all the digital deprivation issues, and it is estimated there will still be 9000 households/premises that will be white post codes, suggesting we will need at even more alternative solutions.

Councillor Jones proposed a digital deprivation action plan and has asked officers to prepare this, which will be brought to Economy and Development Scrutiny Committee before the summer recess.

Councillor Jones expressed thanks to Mike Powell, Rural Programme Manager, for the sterling work he is doing on this project.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held on Thursday, 7th March, 2019 at 2.00 pm

As a supplementary question Councillor Pavia asked that the Cabinet Member implores to the Deputy Minister that MCC Councillors are keen to scrutinise this work and would welcome officials to a meeting as soon as possible.

In response, Councillor Jones expressed the same disappointment at officials failing to attend meetings despite requests and assured Members that on 19th March she would ask that WG officials come back to Committee to provide an opportunity for challenge on the national policy around broadband and digital rollout.

6.2. From County Councillor P. Pavia to County Councillor P. Fox

The Leader responded that the Council has established working relationships with key partners such as Welsh Government, the WLGA and treasury advisor to understand the planning for any potential risk to Council Services. Central and Welsh Governments reporting structures are now established and they become live on March 18th 2019. The CEO is a representative on the WG Local Government's Preparedness Advisory Panel which is providing strategic oversight for local government and supporting the coordination of preparedness within local government. We are engaged with partners on the Gwent Local Resilience Forum Risk Group. A Council Brexit Working Group has been established which is being led by Head of Enterprise, consisting of a range of services most likely to be affected including Environmental Health, Social Care and People Services. Close working with WLGA continues. There is a MCC Brexit area now live on the website which signposts to further relevant information.

As a supplementary Councillor Pavia asked will the Leader and the Cabinet Member for Governance commit to working with Members, particularly scrutiny chairs, to get this formulated as soon as possible.

The Leader responded that the Cabinet Member for Governance would be keen to work closely with select chairs, and is reassured that collectively it is evolving at great pace.

6.3. From County Councillor P. Pavia to County Councillor P. Fox

The Cabinet Member responded with an insight to what is currently happening. He referred to a recent joint meeting with Forest of Dean where collectively the importance of the matter was agreed and a Member Steering Group has been established between Gloucester CC, Forest of Dean CC and MCC. Support has been indicated for the scheme. The officer group is in touch with WG about the content and extent of the stage 2 study and are currently establishing which authorities and agencies should be represented on the officer review group. At an Authority level this is fairly straightforward but we need to be sure that both WG and Westminster Government are also fully engaged through agencies such as the Department for Transport, Highways England and WG Transport Planning, Transport for Wales and WG Highways. Getting the process right is important to make progress, and the forum is key to join all pieces together. There is interest amongst many members and officers have been asked to provide members' briefings as this moves forward.

Infrastructure problems around Chepstow cannot be ignored and need this to be a priority on both WG and Westminster agendas.

Regular updates would be provided throughout the process.

As a supplementary Councillor Pavia asked if the Leader could confirm that the objective remains that the second phase of the WELTAG would be completed by the end of 2019, and if so what are the key milestones and anticipated contributions to meet the anticipated £1.3m cost?

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The Leader responded that commitment is strong and should be in place by the end of the year. This requires partners to take action and MCC are ready to contribute. It would be irresponsible of MCC to subsidise others.

6.4. From County Councillor L. Jones to County Councillor R. John

Cabinet Member Richard John responded that WG published its results of the national categorisation on 31st January 2019 and conclusions gave Monmouthshire more green schools that we have had before. In 2012-13 we had three green schools but now have 15, including for the first time 2 green secondary schools. Councillor John paid tribute to the head teachers and staff of King Henry VIII and Maonmouth Comprehensive Schools for the considerable effort gone into achieving the award. The number of red schools has fallen from 2 to 1 and tribute was paid to all involved. There has been an increase in the number of amber schools and along with partners in the EAS we continue to work closely with those schools on their improvement plans.

County Councillor F. Taylor declared an interest as LEA governor at Magor Church in Wales Primary School.

As a supplementary Councillor Jones offered congratulations on the achievements and congratulated Kymin View, and Usk Primary on their deserved achievement of green statuses. She asked what is being done to ensure that our one remaining red school is getting all the support it needs and that we see its categorisation change to amber as soon as possible.

In response Councillor John explained that we continue to work closely with the senior leadership team at the school, as well as the governing body. He paid tribute to Councillor Groucutt who has stepped in to provide effective leadership to the governing body. Challenge advisors are going in and spending time supporting teachers, assisting the school in the drive to raise standards.

7. County Councillor R. John - Statement on childcare provision in Monmouthshire

County Councillor R John provided the following statement:

'This administration is committed to helping working families in Monmouthshire with childcare. We lobbied Welsh Government for Monmouthshire to become an early implementer of the 30 hours free childcare scheme. In January 2019 we rolled out our 30 hours free childcare offer for parents of 3 and 4 year old children, 20 months ahead of the Wales wide roll out in September 2020.

To meet demand for childcare spaces we put forward proposals to expand nursery provision in Monmouthshire and am pleased to announce today that these plans have been endorsed by the Welsh Government with a grant of £2.1m. We will be building new nurseries at Arch Bishop Rowan Williams Primary School in Portskewett, Trellech Primary School, as well as bi-lingual nursery provision as part of a new Welsh Medium Primary School in Monmouth, and an expansion of nursery provision at Ysgol Y Fin in Caldicot to provide wraparound childcare.

We are committed to ensuring that parents can access affordable and local childcare which is why we are so keen to implement the 30 hours free childcare offer earlier than a number of other councils. So I am delighted that our proposals to expand nursery provision in Portskewett, Monmouth, Trellech and Caldicot have been endorsed meaning more children in Monmouthshire will be able to benefit from the advantages of a nursery education.'

8. Report of the Head of Legal Services/Monitoring Officer:

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8.1. Appointment of Standards Committee Independent Member

The Cabinet Member for Governance presented a report to seek Council approval for two new appointments to the Standards Committee.

Upon put to the vote Council resolved to accept the recommendation:

To approve the appointment of Mrs Rhian Williams-Flew and Dr Peter Easy to the Standards Committee.

9. Reports of the Chief Officer for Resources:

9.1. Treasury Management Strategy 2019/20

Council received the Treasury Management Strategy Report in order to agree the 2019-20 Treasury Policy and strategic framework for officers to follow. This is to ensure that an appropriate level of care is taken of the Authority's funds and that a prudent budget is set to cover these activities.

In relation to borrowing and funds available on the market, regardless of how Brexit turns out, a question was raised if we could benefit from safe haven institutions, such as pension funds, in the short term. The Assistant Head of Finance explained that this would not normally be the case and pensions are long term prospects. Our approach to treasury management is to avoid or mitigate our borrowing costs.

Upon being put to the vote Council resolved to agree the recommendations:

That Council approves the following reports endorsed by Audit Committee on the 31st January 2019:

- **the proposed Treasury Management and Minimum Revenue Provision Policy Statement for 2019/20 (Appendix 1);and**
- **the proposed Treasury Management Strategy 2019/20 (Appendix 2) including the Investment & Borrowing Strategies**

That Council agrees that Audit Committee should continue to review the Council's treasury activities on behalf of the Council by receiving & scrutinising the mid-year report and year-end report and also scrutinising the Treasury Policy & Strategy before passing to Council for approval.

The Council agrees that although the Treasury Indicators will continue to be a part of the Treasury Strategy, the Prudential Indicators will be presented directly to full Council with the Capital Strategy.

9.2. Council Tax Resolution 2019/20

Council were presented with the report as the Council is bound by Statute to specific timescales for Council Tax setting and is also required to make certain defined resolutions. The recommendations that form the major part of the report are designed to comply with those Statutory Provisions.

The recommended resolutions also draw together the Council Tax implications of precepts proposed by the Office of Police and Crime Commissioner for Gwent and Town and Community Councils, thereby enabling the County Council to establish its headline Council Tax levels at the various property bands within each Town or Community area.

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The Leader of the Opposition expressed disappointment at the increase in taxes on Monmouthshire residents, whilst taking away services. He referred to the extra funding received from Welsh Government. Areas of disappointment in the budget included plastic bag proposals, increased car park charges and proposals for Mounton House School.

The Leader responded that the opposition had not presented an alternative budget, and stated that Welsh Government have slashed £1billion out of local government funding. He thanked the Cabinet Member and Officers for their work presenting this budget.

Concerns were highlighted around the increase in car park charges and the effects on high street businesses.

Many members expressed frustrations around the funding formula and a suggestion was made that a national debate should be held around Council Tax in general.

Upon being put to the vote Council resolved to accept the recommendations as per section 2 of the report.

10. County Council Action List

Council noted the Action List.

In doing so Councillor Pratt advised that residents of Dan y Coed have met with the Project Engineer in charge of the project, and have received an apology. There is a full investigation taking place into the engineering. The drainage has been updated and assurance has been given that the situation will not happen again.

11. To confirm the minutes of the meeting held on 17th January 2019

The minutes of the meeting of County Council held on 17th January 2019 were approved and signed by the Chairman.

12. To confirm the minutes of the extraordinary meeting held on 21st February 2019

The minutes of the meeting of County Council held on 21st February 2019 were approved and signed by the Chairman.

The meeting ended at 3.55 pm

Public Document Pack Agenda Item 11a

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Democratic Services Committee held
at Usk, NP15 1AD on Monday, 3rd December, 2018 at 2.00 pm

PRESENT: County Councillor D. Evans (Chairman)
County Councillor T. Thomas (Vice Chairman)

County Councillors: M. Groucutt, G. Howard, J. Treharne,
S. Woodhouse and J. Watkins

OFFICERS IN ATTENDANCE:

APOLOGIES:

Councillors L. Dymock

1. Declarations of interest

None received.

2. Public Open Forum

None

3. Independent Remuneration Panel for Wales - Draft Remuneration Report - 2019-20

The committee received the draft report from the Independent Remuneration Panel for Wales (IRPW) regarding remuneration for councillors for the year 2019-20.

It was noted that the basic salary for all members will increase for the year by £268 increasing the overall basic salary to £13,868. Additionally, members of the executive would receive an increase of £800 inclusive of the additional basic salary as well as the various banding levels for removed for the civic heads who will receive one level of salary across all authorities. It was noted that the removal of the banding option for the civic head role now removes any options for Council to vote in relation to posts that are set by the IRPW.

Members raised concerns regarding the lack of review of the level of remuneration regarding the total cost of care that councillors could claim. It was felt that this level needs to be increased if the Council was to attract councillors from a more diverse background with particular concern regarding the cost of childcare for councillors with young children and that this level should be increased.

Members also commented that to increase diversity, the council should consider the timings of its meeting again to help councillors with young children and in employment attend meetings outside of the normal working/school day. The committee were informed by one member during the debate that whilst their employer allows them a level of civic days to attend meetings, it is not sufficient to fulfil the duties required of a councillor and requires using annual leave or flexi leave on top of that as well as balanced the workload the job requires.

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Minutes of the meeting of Democratic Services Committee held at Usk, NP15 1AD on Monday, 3rd December, 2018 at 2.00 pm

It was agreed that members should be surveyed on preferred timings of meetings and various options to inform the debate at future meeting of the committee and, if required, inform a recommendation from the committee to full council on the timing of meetings.

It was also agreed to submit a response to the IRPW encouraging them to review and increase the maximum level of cost of care.

4. Mobile Phones

Following on from the previous meeting of Democratic Services Committee where members considered the provision of mobile phones, the Local Democracy Manager provided an update in relation to the provision of refurbished mobile phones.

The committee were informed that there is no provider of refurbished mobile phones with the procurement framework for the authority to access and purchase mobile phones on behalf of members. Additionally, old mobile phones that are out of contract are sent to be recycled and are on the whole not functioning correctly for members to use anyway. The Local Democracy Manager asked how the committee wanted to proceed given that at the previous meeting it was agreed that the procured contracts were too expensive for the authority to pursue and refurbished handsets could not be made available to members.

A discussion took place with members offering various views on the outcome with some members considering their work can be carried out effectively with a single mobile phone or landline whilst others argued against due to the need to keep their personal life separate from councillor work.

The committee agreed that should members need a second sim card that the authority should reimburse members for these. It was also agreed that democratic services would offer support to members to find the most suitable solution for themselves and that it would be up to members to provide the relevant handset themselves.

5. Allowing public filming at all Council Meetings

The Local Democracy Manager introduced the item to the committee stating that there may be proposals contained within the Wales Bill, that requires all authorities to amend their constitutions, to allow members of the public to film at any council meeting that is open to the public or the potential for a voluntary all Wales agreement to allow recording and what members of the committees views were.

The proposal may be contained in the Bill to ensure that all authorities proceedings are transparent and open to the public. It was noted however that Monmouthshire stream any meeting where the technology is available in the room to do so and that members of the public can access recordings of all meetings on Youtube. Some authorities in Wales do not stream any meetings, or only stream a certain committee due to the costs associated with their streaming supplier.

The committee agreed that they were against the proposal due to the potential for other equipment to interfere with the streaming equipment, as well as the potential for the impact of the public recording to be intimidating or damage the debate when the council provide the provision already. The committee were of the view that should a meeting not be streamed for any reason, for example an area committee not held in Council Offices, then it should be at the discretion of the chair as to whether public filming of the meeting should be allowed or not. Members also raised concern regarding the potential for exempt information to be released where recording equipment is left behind, even when the public have left the room.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Democratic Services Committee held at Usk, NP15 1AD on Monday, 3rd December, 2018 at 2.00 pm

6. To confirm the minutes of the previous meeting

The minutes of the meeting held on 24th September 2018 were confirmed as an accurate record and signed by the Chair.

7. To note the date of the next meeting as Monday 4th February 2019 at 2:00pm

It was agreed that this meeting be brought forward to a suitable date in mid January for the committee to consider the responses from members to the timing of council meetings in order for the diary for next year to be agreed at Council at a suitable time. Confirmation of the new date will sent to all members following the meeting.

The meeting ended at 3.00pm

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Public Document Pack Agenda Item 11b

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Democratic Services Committee held
on Monday, 7th January, 2019 at 2.00 pm

PRESENT: County Councillor D. Evans (Chairman)
County Councillor T. Thomas (Vice Chairman)

County Councillors: M. Groucutt and S. Woodhouse

OFFICERS IN ATTENDANCE:

John Pearson	Local Democracy Manager
Nicola Perry	Senior Democracy Officer
Matthew Gatehouse	Head of Policy and Governance

APOLOGIES:

Councillors G. Howard, J. Treharne and J. Watkins

1. Declarations of interest

No declarations of interest.

2. Timing of Council Meetings

The Local Democracy Manager presented a report to consider the responses to a Members' survey on timing of all council meetings and consider whether it is necessary to make a recommendation to Council on the timing of meetings.

Out of 43 Members, there had been 17 responses to the survey. All answers were captured and summarised in the report.

Overall Members preferred the current arrangements, noting that outside bodies arrange their meetings in evenings to avoid clashes with Council meetings.

General consensus was that meetings, aside from Full Council, should remain at 10am and 2pm start times.

Another trial was not a preferred option and the overall opinion was that a recommendation should not be referred to Council.

Members were disappointed with the relatively low number of responses to the survey.

Members agreed that the meeting times suit this council term and there is no appetite for change at present. However it was agreed that this should be addressed prior to the next election in order to ensure this does not act as a barrier to potential candidates. Potential candidates should be advised that meeting times are not fixed, and remote access could be encouraged.

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Minutes of the meeting of Democratic Services Committee held on Monday, 7th January, 2019 at 2.00 pm

The Committee agreed to arrange, where possible, future meetings in the Conference Room to trial remote attendance.

Members discussed improvements around the recording of apologies at meetings, and agreed to discuss at the next meeting.

The Committee resolved that no recommendation need to be made to Council.

The meeting ended at Time Not Specified

Public Document Pack Agenda Item 12

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 31st January, 2019 at 2.00 pm

PRESENT: County Councillor P White (Chairman)
County Councillor J. Higginson (Vice Chairman)

County Councillors: P. Clarke, A. Easson, M. Feakins, M. Lane,
P. Murphy, V. Smith, B. Strong and J. Watkins

OFFICERS IN ATTENDANCE:

Mark Howcroft	Assistant Head of Finance
Andrew Wathan	Chief Internal Auditor
Annette Evans	Customer Relations Manager
Wendy Barnard	Democratic Services Officer
Lesley Russell	Senior Accountant - Fixed Assets and Treasury

APOLOGIES:

County Councillor S. Woodhouse
Chief Officer, Resources, Peter Davies

1. Declarations of Interest

Items 6 and 7: County Councillors M. Feakins, A Easson and P. Murphy declared a personal, non-prejudicial interest as trustees of the Monmouthshire Farm School Endowment Trust Fund.

2. Public Open Forum

No members of the public were present.

3. To note the Action List from the last meeting

The Action List from the last meeting was noted.

1. Bribery Act: Peter Davies was unable to attend the meeting today but will send the presentation slides to Committee Members. Queries can be raised at a future meeting.
2. Scrutiny training: The Chair read a statement from the Head of Policy and Governance as follows – “The Scrutiny Manager has previously arranged training for all select committee members with an external facilitator. This had to be postponed when the trainer had to pull out. An alternative provider has now been identified and an alternative date will be sought in the coming weeks to enable all members to access training necessary to fulfil their roles in accordance with the WLGAs Development Framework for Councillors in Wales”.
3. CPR exemptions: The Chief Internal Auditor explained that it has been decided to revise the CPR exemption form and guidance, and present the updated documents to Senior Leadership Team to remind Chief Officers to cascade expectations (completion of the form, the authorisation process and the return of forms to audit) to managers.
4. Performance Management arrangements: Consideration was deferred until the next meeting. The Chief Officer, Resources to provide more information at the next meeting.

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5. Wales Audit Office improvement progress paper: This concerns an extract from the Council's constitution included in the report and ensuring it's accuracy. The Monitoring Officer has been asked to consider amending the extract when next reviewing the constitution.

4. Annual Whole Authority Complaints

The Customer Relations Manager presented the Whole Authority Complaints Report (April 2017 – March 2018) relating to complaints, comments, compliments and Freedom of Information requests.

It was noted that the services attracting most complaints are Waste and Street Services, Highways, Leisure, Community Hubs, Passenger Transport Unit and Development Control. Examples of the types of complaints and outcomes were provided. There are separate regulations for Social Services complaints. Comments are dealt with as informal complaints as they are normally negative. Compliments are mainly received for building control and registrars. This is in the context of questionnaires being sent out to service users.

It is always the intention to learn from the complaints brought to the authority's attention. Any recommendations, particularly from formal complaints, are added to an action plan for the manager. These are followed up to make sure they are acted upon. Complaints that proceed to the Ombudsman will be checked upon and progress reported back.

Freedom of Information requests and environmental information regulations are mainly from the Press, campaigners and political researchers with fewer from members of the public. Commonly, topics requested are Social Care, HR and staffing, procurement and contracts.

A Committee Member asked why two complaints concerning staff members were not dealt with under staffing procedures. The Member accepted that the complaints were external; one concerned a volunteer position and the other was a complaint from a member of staff from another authority.

Noting that the Council is taking on the role of Single Point of Contact for highways issues, it was queried if the authority will take on responsibility for complaints against speeding fines and for parking disputes and complaints. It was also queried if complaints about MonLife would also be handled centrally. Clarification will be sought on these matters

The contents of the report were noted.

5. Audited Trust Funds accounts (Welsh Church Funds & Mon Farms)

The report was presented by the Assistant Head of Finance/ Deputy Section 151 Officer. Following presentation of the report, questions were invited.

A Member received assurance about the inclusion of current names of Committee Members and Officers in both reports. County Councillor B. Strong declared a personal, non-prejudicial interest as a trustee of the Roger Edwards Educational Trust.

In response to a question, it was clarified that funds are distributed to councils proportionally based on population.

A Member noted that the names of Committee Members responsible for distribution of Welsh Church Fund money are not listed in the report. Noting that no buildings or property are listed on the assets register, a Member questioned the reference to rental income. It was clarified that

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Monmouthshire County Council is the sole trustee of the Welsh Church Fund. In terms of Monmouthshire Farm Schools Endowment Trust, there are various councils involved hence why the trustees are listed. It was clarified that the reference to property returns was in relation to property pooled funds rather than rentals from actual properties.

The report was noted.

6. ISA 260 or equivalent for Trust Funds

The report, considered in conjunction with the previous item, was noted.

7. Treasury Strategy

The report was presented by the Senior Accountant and questions were invited from the Committee, as follows:

- A Member referred to the disparity between interest rates for long and short term debt and the significant amount of internal borrowing. Considering the drive to remove older, more expensive debt, it was queried if there is scope to continue this approach. It was responded that a number of years ago, the interest rate on PWLB (Public Works Loan Board) loans was raised by 1% and the restructuring of debt has not been economically viable from that time. This position is not forecast to change. The Treasury Management advisors provide quarterly reports that include debt management including the cost of early redemption.
- A Member asked if the fixed term debt is indexed and was informed that there are various PWLB loans, the majority are fixed rate. There is also £13million of variable rate PWLB debt and these rates are reviewed every six months. In relation to questions about Brexit, it was commented that the main risk to treasury markets is uncertainty that could create volatility.

The report was endorsed with no variation and was recommended for circulation to Full Council.

8. Unsatisfactory Internal Audit Opinions

The Chief Internal Auditor presented the regular 6 monthly report to the Audit Committee of unsatisfactory audit opinions issued until December 2018 across all County Council Services. The opinions arise from work undertaken by the Internal Audit Team to assess the adequacy of the internal control environment, apply a rating and provide an update on previously reported matters that have been followed up.

Referring to the report, the Chief Internal Auditor provided details of historic opinions, as follows:

2013/14: No unsatisfactory audit opinions were issued.

2014/15: 6 unsatisfactory opinions were issued - these were followed up and reported back to Audit Committee

2015/16: 7 unsatisfactory opinions issued - all were followed up and an improved audit opinion issued

2016/17: 8 reports had a limited opinion, some were followed up with an improved opinion. 2 had a second consecutive limited opinion issued and this was reported back to Audit Committee, 4 have yet to be followed up but are in the plan for this quarter and will be reported back.

2017/18: 8 limited opinions were issued with only one followed up with an improved opinion. The remainder are due in quarter 4 or the following year.

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2018/19: 3 limited opinion have been issued, information will be provided to Audit Committee in due course.

The Chief Internal Auditor had no particular concerns about service areas and therefore there were no requests to call in managers.

A Member commended the report, the positive progress and that follow ups are on schedule.

The recommendation that the Audit Committee note the improvements made by service areas following the original unfavourable audit opinions issued was accepted.

9. Strategic Risk Assessment

The report was introduced by the Policy and Performance Manager. Members were informed that the purpose of the strategic risk assessment is to assure the Council of the adequacy of its risk management framework. It was explained that the strategic risk register considers risks and threats to the Council's services to communities. The document is available on The Hub.

A Member was pleased to see that the condition of roads has been identified as a risk.

The Chair noted that some risks appear not to have lessened despite mitigation. It was responded that risk levels are assessed on the most recently available evidence and post mitigation action. Some actions are outside the Council's control; external factors may mean a risk level doesn't change. Some of the actions may not impact until next year. It is important to ensure that mitigating actions reduce risk as far as possible and that managers can see where the risks lie.

The recommendations were accepted as proposed.

10. Review of Reserves

The Assistant Head of Finance/Deputy Section 151 Officer presented the report on prospective reserve usage. Audit Committee Members were reminded that, for financial planning, there is a distinction between the Council Fund Balance and earmarked reserves. A Council Fund Balance to cover contingencies of 4-6% of net expenditure is recommended in any one year. It is 5% this year. It is predicted that school budget balances will fall into deficit, and in these circumstances, the reserve will fall to 4.5% of net expenditure.

It was explained that the forecasting of school budgets may be at fault. To improve the quality of forecasting, the scheme of delegation has been changed to require schools projecting a deficit to complete a recovery plan immediately.

It is planned to use any surpluses at the end of the financial year to replenish earmarked reserves and to consider invest to redesign and redundancy reserves but there will be limited opportunity to re-engineer services.

A Member questioned the resource implications of holding reserves of 4-6% of net expenditure before financing. It was responded that the net expenditure includes e.g. Police precept which is not council expenditure so a revised net expenditure is used to set a reserve for the council's contingencies. It was queried if this is before financing costs. It was responded that the annual budget is effectively zero and all costs have to be made by financing and reflect gross expenditure levels in the County.

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Considering schools' balances, it was noted that the deficits mainly relate to secondary schools. A Member advised that, encouragingly, productive meetings have been held with King Henry VIII and Monmouth Comprehensive Schools. Chepstow School is being monitored, having moved from a surplus to a deficit situation.

A Member commented that the outturn schools balance is in the region of £650,000 deficit. It was questioned if this will have to be managed to nil by the schools that contributed to the deficit. It was responded that, if financial planning is on track, that will be the balance at the end of the year. The importance of recovery plans was emphasised whilst acknowledging the difficulties such as outstanding education grants are often not published until Month 12. It was confirmed that the Children and Young People Directorate holds £300,000 to assist in the management of redundancies. Work is in hand to provide governing bodies with better quality information.

It was emphasised that, due to the size of deficits, recovery plans have been extended over a 5 year period to allow steady and meaningful progress.

A Member observed that if school budgets are flat-lined, there will be a bigger problem. It was responded that this is not planned and added that the pay award has been funded and teachers' pensions are increasing. The authority has made some provision for pensions and the increased business rates for Monmouth Comprehensive and Caldicot Schools, and is engaging with Welsh Government and the Welsh Local Government Association about funding the rise in teachers' pensions.

The report was noted. Feedback was provided that the report is useful.

11. Update report on Anti-Bribery Compliance

This matter was considered earlier in the meeting. The Chair asked that feedback is provided by the Chief Officer, Resources after his presentation, at the next meeting.

12. Internal Audit Progress Report 18/19 - quarter 3

The Chief Internal Auditor presented the quarterly report on Internal Audit progress. Following presentation of the report, Members asked questions:

- Members complimented the team on the improvements as evidenced in the report.
- A Member asked about the national fraud initiative and asked if the team had any input. It was responded that this is an UK wide process, administered by the Cabinet Office. It was confirmed that the team co-ordinate this on behalf of the authority every two years. It involves data collection that is sent off, compared and any information relative to Monmouthshire is returned.

13. Forward Work Programme

The Forward Plan was noted. The Chair asked that the plan is fully populated.

14. To confirm minutes of the previous meeting held on 8th November 2018

The minutes of the meeting held on the 8th November 2019 were confirmed and signed as a true record.

15. To confirm the date of the next meeting as 14th March 2019 at 2pm

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 31st January, 2019 at 2.00 pm**

The meeting ended at 3.26 pm