

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Joint Select Committee held
at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Monday, 15th
January, 2018 at 10.00 am**

PRESENT: County Councillor P. Pavia (Chair)

County Councillors: D. Blakebrough, A. Davies, D. Dovey, A. Easson, M. Groucutt, M. Powell, J. Pratt, R. Roden, B. Strong, J. Watkins and A. Webb.

Mr. M Fowler (Parent Governor Representative).

County Councillors: J. Higginson and J. Treharne observed the meeting.

OFFICERS IN ATTENDANCE:

Kellie Beirne	Chief Officer, Enterprise
Marie Bartlett	Finance Manager
Ian Saunders	Head of Tourism, Leisure and Culture
Tracey Thomas	Youth & Community Manager, Youth Service
Hazel Ilett	Scrutiny Manager
Richard Williams	Democratic Services Officer

APOLOGIES:

Councillors J. Becker, L. Brown, M. Feakins, R. Harris, D. Jones, L. Jones, M. Lane, V. Smith, T. Thomas, S. Woodhouse, Dr. A. Daly and K. Williams.

1. Election of Chair

We elected County Councillor P. Pavia as Chair for this meeting.

2. Appointment of Vice-Chair

We appointed County Councillor A. Webb as Vice-Chair for this meeting.

3. Declarations of Interest

There were no declarations of interest made by Members.

4. Future Monmouthshire: Preferred Delivery Model for Tourism, Leisure, Culture and Youth Services

Context:

To receive a presentation and scrutinise the preferred option for the future of Tourism, Leisure, Culture and Youth Services (TLCY) and to undertake pre-decision scrutiny of the evidence base and business case to support the preferred option.

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Key Issues:

In considering the need of the future delivery model of Tourism, Leisure, Culture and Youth Services (TLCY) the following options had been thoroughly researched and considered:

- a) Delivery Option One: Do Nothing.
- b) Delivery Option Two: Transform the Services 'in house'.
- c) Delivery Option Three: Move the Services into an Alternative Delivery Model (ADM).
- d) Delivery Option Four: (a) Outsource the services to a private sector operator or (b) existing Charitable Trust.

Member Scrutiny:

- The impact of VAT changes would breach the partial exemption calculation in the sum of £200,000, but the Authority would be required to repay a higher amount. The Authority would need to be mindful when undertaking its investment which would limit the Authority when it could make potential changes. Monmouthshire's VAT advisers have stated that it does seriously breach Monmouthshire's partial exemption calculation and the recommendation would be that the ADM would be the preferred alternative.
- In response to a question raised regarding commercial failure, it was noted that failure does occur in commercial ventures, the differentiating factor is how the steps are taken to convert this to success.
- These service areas have been one of the top contributors to the Medium Term Financial Plan (MTFP).
- The ADM will be customer focussed with the citizen being placed at the centre of the service being provided. Initially there will be a period of consolidation followed by providing sustainability and optimising performance. Each building will require significant investment to make the customer experience better.
- The Head of Tourism Leisure, Culture & Youth is the chair of the region for leisure and sports development and works collaboratively with nearby local Authorities. The sharing of resources is a good opportunity.
- With regard to the Service Level Agreements (SLAs) in schools, a productive meeting had been held with the four head teachers and the Chief Officer for Children and Young People. All agreed that there was a need to understand the operational management of the sites. Schools have an opportunity to generate income and will continue to do so.
- It was a financial consideration for removing Events Management from the ADM. One of the main considerations was that if we went outside the Authority the VAT for the artists and infrastructure would have to be paid. The ADM would not be

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best placed to host major events due to the financial aspects required up front in order to undertake this type of work. However, the ADM will still hold community events.

- Clydach Ironworks and similar sites require development. It was noted that the countryside team has been looking at these sites with a view to looking to work with partners to establish sustainable development of these heritage sites.
- In response to a question regarding VAT at events, it was noted that HMRC has made a ruling regarding cultural events in which a VAT exemption will apply. However, HMRC does not class a fireworks display as a cultural activity.
- In the early stages of the ADM the residual impact to the Council will be mitigated through continuity of relationships through agreements to continue operating back office services to the ADM. For example, there will be a need to be mechanisms in place to pay staff, suppliers and collect income. In time, the ADM could review this process.
- £4.4 million maintenance backlog – priorities remain around ensuring that the buildings are safe to use and the Authority is spending money to maintain these buildings. The current strategy is the correct strategy for the amount of funding currently available. In order to solve the backlog issues, this will only arise from new ideas and new investment.
- Business expertise is important.
- Partnership working will be undertaken.
- With regard to addressing grants and income streams, an officer is in post with the correct qualifications and is working with the teams with a view to identifying opportunities to generate income.
- When the decision is made regarding the future of the ADM, a coherent communication strategy will be formulated.
- In response to a question of accountability with regard to the success of the ADM, it was noted that there would be accountability at Council level, the Teckel Board, and the ADM Board, when established.
- It was noted that Mounton House School has a relatively new gymnasium, adequate parking and is out of town. It would be a good location in which to hold junior league sporting events. The school is used by other authorities to hold sporting events. Work is currently ongoing on the review of Additional Learning Needs.
- Ongoing knowledge transfer will be required to ensure that the Authority learns from the success of the ADM and internalises this knowledge within the Authority.

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- In terms of financial information for the new organisation, it is critical. The ADM will be looking to re-arrange its cost centre structure and be set up to run like a business. There will be service level agreements with the Authority regarding back office staff, with a view to monitoring and regulating costs.

Committee's Conclusion:

- **Difficult decisions will have to be made to ensure the sustainability of discretionary services.**
- **The Committee discussed commercial risk / success and failure and it is critical that the Authority learns from previous mistakes.**
- **Residents need to be consulted and be the focal point of the new model.**
- **Ensure sustainability and resilience of the services and ensure performance is optimised.**
- **In the early stages there is a need to shape the commercial culture using data to drive evidence based change and upgrading some of the assets through managed maintenance.**
- **More work is required in terms of staffing capacity and to ensure that the correct expertise is in place. However, the ADM is starting from a very sound base with expertise in house regarding external investment.**
- **Various options have been explored including a regional model.**
- **The Authority's environmental and heritage capital needs to be protected for future generations.**
- **More work is required with regard to Service Level Agreements (SLAs).**
- **Implementation and delivery of the ADM will be crucial.**
- **Further work is required around governance to ensure maximum accountability.**

It was proposed and seconded that Cabinet considers option 3, to move the Services into an Alternative Delivery Model (ADM).

Upon being put to the vote the following votes were recorded:

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**In favour of the proposal - 10
Against the proposal - 0
Abstentions - 2**

The proposition was carried.

**We recommended that Cabinet considers option 3, to move the Services into
an Alternative Delivery Model (ADM).**

The meeting ended at 12.06 pm.