

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 9th June, 2016 at 2.00 pm

PRESENT: County Councillor S. Jones (Chairman)
County Councillor B. Hayward (Vice Chairman)

County Councillors: D. Dovey, D. Edwards, D. Evans and A. Wintle

Also in attendance County Councillor(s): V. Smith and R, Greenland

OFFICERS IN ATTENDANCE:

Hazel Ilett	Scrutiny Manager
Cath Fallon	Head of Economy and Enterprise
Mark Howcroft	Assistant Head of Finance
Dan Davies	Events Coordinator
Vanessa Janes-Evans	Business and Enterprise Manager
Mike Powell	Rural Programmes Officer
Andy Smith	Strategic Investment and Funding Manager
James Woodcock	Business Insights Manager
Pete Davies	Head of Commercial and People Development
Paula Harris	Democratic Services

1. To note the appointment of the Select Chair

We noted the appointment of County Councillor S. Jones as Chair.

County Councillor S. Jones thanked Hazel Ilett, Scrutiny Manager and the clerking team for their continued hard work and support. She also thanked the Members for their support and advised that she would be taking a report regarding the Economy and Development Committee detailing the committee's work programme to Full Council alongside the Chief Officer's report to ensure that Members are aware of the positive outcomes achieved by the Economy and Development Committee.

2. To elect a Vice Chair

County Councillor B. Hayward was elected as Vice Chair of the Committee.

3. Apologies for absence

We received apologies from County Councillor J. Prosser.

4. Declarations of Interest

None received.

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5. To confirm the minutes of the previous meetings:

The Committee confirmed and signed the minutes of the following meetings of the Children and Young Peoples Select Committee held on:

11th April 2016 - Special Meeting

Chair was eager, as per the previous recommendation, to receive minutes of the SRS meetings. The Cabinet member advised that there had not been a meeting since April, but there was a meeting the following week.

Chair was also keen to discuss the scrutiny of icounty and talked of a joint select committee meeting with Children and Young People Select Committee. No date had been set as yet.

14th April 2016

Confirmed and signed

6. Verbal Update: Skutrade and Circuit of Wales

Context:

Members received a verbal update from the Head of Commercial and People Development regarding Skutrade and Circuit of Wales.

Circuit of Wales

We were told that the local authority, along with Blaenau Gwent and Welsh Government started consideration of a deal put forward for the Circuit of Wales last Autumn and we engaged an extensive piece of due diligence in order to access that deal.

The two local authorities came to the conclusion Spring 2016 that the risks were too great to bear. At that point, in agreement with Welsh Government, the two local authorities took a step back from the deal. Welsh Government went on alone to see if they could satisfy themselves with the deal. The Welsh Minister drew the conclusion at the end of March that she was not able to proceed with the deal, the reasons for that are well documented on the press.

The current position is that the two local authorities and Welsh Government have gone back to the table with the Circuit of Wales who have presented a revised deal that is currently being considered.

The incoming Minister is looking over a briefing which has been prepared and circulated this week, we are waiting for a further update on this.

The Head of Commercial and People Development was unable to go into finer detail at this stage due to commercial sensitivity.

Member scrutiny:

Members raised concerns regarding the demand for the project. The Officer reassured the Committee that the two authorities involved, along with Welsh Government would not have involved themselves in the deal if it was not felt to be of great benefit to the area. The due diligence carried out was extensive, not only commercial, financial and legal, but beyond that,

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motorsport experts were consulted and market testing was carried out. If a deal was struck, all relevant information will be fed back to Members.

A Member asked why the developer had not gone to the private equity market. The Officer answered that when the company approached private funding originally, planning had not been secured on the site and there were issues with the deregistration of the land. And it was these two key issues which held back the market from coming forward. A private backer was found to fund all but 16 million worth of the funding, however they required a 100% public sector guarantee behind it in order to de-risk the project.

A Member expressed their disappointment regarding the Welsh Government decision not to back the first deal and felt that the funding for the circuit and the subsequent jobs created would negate the amount of benefits paid to the unemployed of the area currently.

A Member asked if the track would be used for motorbike only and was answered that the track was open for all vehicles. As the track has the unique feature of a drop in the track, this lends itself to vehicle testing. The Chief Executive, Martin Whittaker was a former president of the FIA, responsible for setting up the Abi Dhabi grand prix, he comes with a huge tracks record and most importantly an extremely useful contact list.

A Member questioned that the main social benefits will be felt by Blaenau Gwent and felt that Monmouthshire should ensure they feel the financial benefits.

A Member questioned the lack of environmental assessment available electronically.

Skutrade

A report was brought to committee last March, then to Cabinet which granted delegated authority approval for the Cabinet Member Economy and Enterprise, Chief Officer for Enterprise and the Head of Finance to sign off on satisfactory completion of due diligence and a business case being brought forward.

Signing this off would have released £90, 000 funding to Skutrade, which the authority would have recouped back over a defined period from the company based on local business accessing and utilising their platform. The deal is predicated on the platform being ready. To date the company have been unable to progress through user acceptance training so we are not at a point where we have a market ready solution.

It is now a case of tracking progress and finalising a business case, until that point we are on hold.

Member scrutiny:

Members sought reassurance that funds had not been released and asked if there was a cut-off date for this. We were told funds have not been released and there is no firm date, as it is under constant review.

A Member commented it had been a year since Skutrade was introduced, and was this year delay stopping businesses using a similar, existing product. The Officer commented that his team had been tracking the market and there was not currently a like for like product readily available.

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Committee's Conclusion

Circuit of Wales

The Chair was pleased that as the deal moves forward, all relevant information would be fed back to Committee for thorough scrutiny to take place.

Skutrade

The chair thanked the Officer for the update and looked forward to receiving an update in September.

7. Scrutiny of the Revenue and Capital Outturn report

Context:

The purpose of this report is to provide Members with information on the forecast revenue outturn position of the Authority at the end of reporting period 4 which represents the financial outturn position for the 2015/16 financial year.

This report will also be considered by Select Committees as part of their responsibility to,

- assess whether effective budget monitoring is taking place,
- monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
- challenge the reasonableness of projected over or underspends, and
- monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.

Recommendations:

That Members consider a net revenue outturn underspend of £676,000, an improvement of £878,000 on quarter 3 outturn predictions.

Members consider a capital outturn spend of £18.3m against a revised budget of £18.8million, after proposed slippage of £43.7 million, resulting in a net underspend of £508k, of which circa £433k is available for recycling onto other projects/priorities which it is recommended will be held pending review of the additional pressures identified in paragraph 3.6.3.

Consider and approve the £43.7m capital slippage recommended, paying attention to those schemes included in paragraph 3.5.4 where slippage has been requested by the service manager but is not being recommended to slip (£170k), and notes the significant level of slippage required at outturn not manifest earlier in the year highlighting a concern in managers capital forecasting going forward.

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Considers the use of reserves proposed and notes the significant decline on earmarked reserve levels at end of 2015-16 and the likely indication at end of 2016-17.

Approves the reallocation of reserve balances, as per paragraph 3.9.5 following the actuarial review of the insurance reserve and review of other small reserve balances, in order to address reserve pressures and the apportionment of general underspend in supplementing reserve levels as follows:

- £1,037 million to Redundancy and Pensions reserve
- £419k to IT reserves
- £350k to Invest to Redesign reserve

Approves the use of the Invest to Redesign reserve during 2016-17 totalling £30,835 as MCC's additional contribution to enable the work on the City Deal initiative to continue.

Member scrutiny:

A Member asked when the cultural services review would be with the Committee. The Cabinet Member answered that a report was close to being brought to Cabinet and that the consultant's report had been received and would shortly be going out to consultation.

A Member commented on the figures for Chepstow School and informed the Committee that the school was optimistic that the figures would improve and asked if the Finance team had the same confidence. The Officer informed the Committee that he had been in touch with the school's governing body and advised they were approx. £100,000 short of where they need to be.

A Member asked if this would be the last consultation on Castles. The Cabinet responded that it would depend on the decision of Members. He advised that the report would come out with recommendation. The Cabinet Member mentioned that Caldicot Castle had recently hosted excellent events but this would not secure its long term future.

A Member asked where the £73, 000 funding for super-fast broadband was directed towards. An Officer replied that it was used for smart communities and digital access manager and also to support the production of digital tech and database of businesses, along with a website.

It was asked in terms of the LDP slippage, what was the rationale of £100,000 being deferred. Officers advised they would return to committee with an answer for this.

A question was raised regarding a solar park at Crick. The Cabinet Member responded that the decision to proceed was delegated to the Chief Officer and himself. The plan did not go forward as there were issues with connection to the grid. Officers are currently looking for a new plan and more information will be brought to select in due course.

A Member raised a question regarding slippage, reported as a good thing, however it was questioned if it was a good thing, as small schemes were cut which could have been maintained due to the underspend and asked is it a failure at budget setting.

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Committee's Conclusion

The Chair thanked the Officer and Cabinet Member and suggested it would be useful, in future to have the Chief Officer present for budget reports.

8. Monmouthshire Business and Enterprise end of year report Update

Context:

To provide a final performance update on the 2015/16 activities of Monmouthshire Business and Enterprise (MBE).

Key Issues:

In line with one of the Council's four priorities of 'Supporting Enterprise, Entrepreneurship and Job Creation', the Monmouthshire Business Growth and Enterprise Strategy hinges on three pillars namely '*Supporting Business Growth*', '*Enabling Inward Investment*' and '*Growing Entrepreneurs*' and addresses customer needs through the provision of a programme of business support, networking and facilitation to help unlock the potential for growth in the County. In 2015/16 activities were targeted towards achieving these key priorities and maximising funding opportunities to reduce the financial burden on the Council.

Further to this the Vale of Usk Local Development Strategy approved by Cabinet in June 2015, is a key tool in drawing down £2.79M from the new 2014-2020 Rural Development Programme (RDP), expanded to include the rural wards of Newport. In addition MBE also delivers the external strand of the Council's iCounty Strategy which includes the coordination of broadband infrastructure and ICT exploitation activities.

Recommendations:

To receive the report in evidence of activities detailed in the Monmouthshire Business Growth and Enterprise Strategy Action Plan, as reflected in the Chief Officer's Annual report for Enterprise.

Member scrutiny:

A question was asked regarding the funding for the Agri Urban project and we were advised that 50, 000 euros of funding over 2 years will be received and County Councillor J. Prosser will be able to claim his expenses from that funding.

The Chair praised the website which had been set up as easy to navigate and access, she hoped this could be used as a best practice model.

It was asked who was running the Business New Wales media campaign and how could councillors get involved. Officers advised this was a new relationship and that they would be meeting at the end of June, with an update to committee to follow.

With the RCDF Programme, it was mentioned a member's seminar could take place to raise awareness. This suggestion was applauded by the Officer.

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The Chair suggested a seminar to promote the County's 'Growing entrepreneurs' project.

Committee's Conclusion

Chair thanked the officers for their hard work and look forward to seeing regular updates on all of the schemes.

The chair asked for the statistics on the broadband roll out and mentioned the importance of Members seminars to raise awareness.

9. Economy and Development Select Committee Business Breakfast Feedback

The Scrutiny Manager discussed the brief she had submitted to Members to outline the key outcomes and summarise the points raised with elected Members at the Business Breakfast Meeting held by the Economy and Development Select Committee on 4th May 2016.

She highlighted the key points:

- 1) *Positive Working Relationships*
- 2) *Business engagement*
- 3) *Clarity of role*
- 4) *Business Start-up.*
- 5) *Collaboration*
- 6) *Coordination*
- 7) *Business*
- 8) *Source locally*
- 9) *Business Rates*
- 10) *Historic Town Maps, Tourist Maps and Signage.*
- 11) *Park and Ride*
- 12) *Tourist Information Centres*

Committee have concluded that the holding of the Business Breakfast has aided their understanding of the issues for small businesses in Monmouthshire in addition to achieving their objective to purposefully engage the business community to foster a working relationship with the Select Committee.

The Committee were grateful to the business owners and managers who attended the breakfast and particularly to the Enterprise directorate for their sustained efforts in supporting economic growth in the Monmouthshire. Members recognise that this is not a simple task and requires continuous efforts over the long term to create a foundation for successful business.

10. Update report - Events Strategy

We received a brief verbal update from the Events Manager.

The Chair asked for the Events Strategy report to be brought to the July meeting, The Events Manager said he would speak to colleagues as he was unable to commit it to the July meeting.

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The Chair impressed upon the Events Manager the urgency of the Committee seeing the wider Events strategy.

The Events Manager was keen to update the Committee on;

The Eisteddfod

The 3 park and ride sites had been confirmed at Llanelen, Cwrt y Gollen and Penpergwm. We were also informed that Monmouth Passenger Transport Unit have been successful in securing the park and ride service with Byfield Lane being the main drop off point for the coaches.

On Monday 6th June 2016 the Eisteddfod formally adopted Castle Meadows and moved onto the site.

Community fundraising is ongoing and to date £171, 742 has been raised and fundraising will continue until December.

The Events Manager brought a leaflet to the meeting, showing how Monmouth was selling the County during the Eisteddfod, this leaflet outlines the objectives and intentions of what Monmouth hope to achieve whilst the Eisteddfod is on site.

The main aim is to inform every visitor to the Eisteddfod why they should come back and visit Monmouth again.

A Member expressed concerns about parking and the Events Manager advised that he would feedback updates on the parking concerns.

The Velothon

While formal debriefing are taking place we as Monmouthshire County Council held an internal debrief on June 6th 2016 where all relevant officers came together to debrief.

The date of the entire debrief event including all authorities, Welsh Government and Run for Wales is yet to be confirmed.

A Member asked how widely residents would be consulted for their feedback. We were answered that this would be dealt with as part of Run for Wales debrief. It was asked that Run for Wales attend a future Committee meeting so that Members of the Committee can ask questions.

The Cabinet Member suggested an open meeting or seminars where Run for Wales come to speak. The Chair agreed all members should attend but felt that it should come to the Select Committee as it was an item requiring scrutiny. The debrief should be completed by end of August 2016 so it was hoped that this item would be on the September agenda.

11. Forward Work Programme

Members received and noted the contents of the Economy and Development forward work programme.

September will be tourism focused.

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12. To confirm the date and time of the next meeting as Thursday 14th July 2016 at 10.00am

The meeting ended at 4.40 pm