

Public Document Pack

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

PRESENT: County Councillor P. Pavia (Chair)
County Councillor D. Blakebrough (Vice Chair)

County Councillors: J. Becker, A. Davies, D. Dovey, M. Feakins, R. Roden and B. Strong

Also in attendance County Councillors: A. Easson, R. Harris and V. Smith

OFFICERS IN ATTENDANCE:

Kellie Beirne	Chief Officer, Enterprise
Cath Fallon	Head of Economy and Enterprise
Mark Hand	Head of Planning, Housing and Place-Shaping
Martin Davies	Planning Policy Manager
Jill Edge	Senior Planning Policy Officer
Dave Loder	Finance Manager
Paula Harris	Democratic Services Officer
Richard Williams	Democratic Services Officer

GUEST: Deborah Perkin – Brecon Beacons National Park

APOLOGIES:

County Councillor: A. Watts

1. Welcome

On behalf of the Select Committee, the Chair welcomed to the meeting, Deborah Perkin, Business and Communities Champion at the Brecon Beacons National Park. Ms. Perkin was in attendance as an observer of the meeting.

2. Declarations of Interest

There were no declarations of interest made by Members.

3. Confirmation of minutes

The Economy and Development Select Committee Minutes dated 30th November 2017 were confirmed and signed by the Chair.

4. Public Open Forum

There were no members of the public present.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

5. Revenue and Capital Monitoring 2017/18 Outturn Statement - Period 2

Context:

To scrutinise the revenue and capital outturn positions based on activity data at month 7.

Recommendations proposed to Cabinet:

- Members consider the forecast net revenue outturn overspend of £62,000.
- That Cabinet requires Chief Officers to continue to work to reduce the £1.333m over spend on services, using measures such as a moratorium on non-essential spend and the freezing of vacant posts other than where recruitment is considered essential.
- Members consider the forecast capital outturn spend, the levels of capital slippage proposed and the levels of capital receipts to assist with capital programme funding, primarily the Future Schools Tranche A considerations.
- Members note that the low level of earmarked reserves, which will severely reduce the flexibility the Council has in meeting the financial challenges of reducing settlements and consequent need to re-design services.
- Members note the significant and continued forecast reduction in the overall school balance at the end of 2017/18 and supports the continuing work with schools to ensure that the Council's Fairer Funding scheme requirements are met and that the overall schools balance reverts to a positive position at the earliest opportunity.
- Members note the significant over spend on services and consider recurrent and new pressures that need to feature in the draft revenue budget proposals currently out for consultation.

Member Scrutiny:

- The Enterprise Directorate overspend position, when adjusted for reserve movements, comes down to £279,000.
- The Enterprise Directorate comprises of the following departments, namely: Business Growth and Enterprise, Planning Housing and Place Shaping, Tourism Leisure & Culture, Governance Democracy and Support and Public Protection. Some of these departments have a specific aim around enterprise development and income generation but other departments do not share the same end point. The Enterprise Directorate, in recent years, has been required to make significant efficiency savings and provide income generation. The areas of pressure are mainly around some of the income generating services.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

- The events held last summer were meant to generate income and the major event put on did generate some income. However, it was unfortunate that the smaller events put on to accompany the major event lost money. The reason for the loss was due to unforeseen circumstances. A comprehensive review of that function is being undertaken. The results of this independent review will be available in due course and will be scrutinised by the Select Committee at a future meeting.
- The £279,000 overspend will be balanced at year end. A recovery plan has been established to ensure the budget will be balanced.
- In response to a Select Committee Member's question regarding net Council fund surplus, it was noted that these figures were not cumulative.
- A part of the benefit of having an Alternative Delivery Model will be the recruitment from outside of the Authority, the establishment of a Board that has the relevant experience and the commercial acumen.
- Next year, the Authority has set itself a target of delivering a £500,000 saving in terms of procurement. Currently, due diligence and options analysis are being undertaken, which shows exactly where and in what service areas the Authority needs to target efficiency savings in the future.
- The review of the Authority's procurement procedure is still in the early stages. However, there are eight areas that require reviewing. Support from the Select Committee in taking this matter forward would be beneficial with a view to producing a procurement plan. When the plan is completed, it will be presented to the Select Committee for scrutiny.
- Since the dispatch of this agenda, it was noted that due to the adverse weather conditions in December 2017, the Authority's winter maintenance costs have increased. This is being monitored with a view to addressing these additional costs.
- In response to a question regarding Capital receipts in relation to the former County Hall Cwmbran, Coed Glas Abergavenny, the Magor buildings and the Morrison's development Abergavenny, it was noted that a report regarding the Former County Hall site at Cwmbran will be presented to a future Select Committee meeting. A brief summary regarding the former County Hall site and the Morrison's development will also be circulated to the Select Committee.
- The Outdoor Education Service has incurred a £41,000 loss, due to Torfaen County Borough Council and Blaenau Gwent County Borough Council withdrawing from the partnership. However, the bottom line trading activity is unaffected as a substantial reserve has been built up around this service. It will require the activation of an Alternative Delivery Model (ADM) in order to resolve this issue.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

- In response to a question raised regarding the marketing of Hilston Park, it was noted that predominantly, the service in how it is constructed and paid for is tailored for schools providing an outdoor education experience. The Authority is constrained how it can market this service to the private sector, as the service is occupied by schools Monday to Friday. Hilston Park does generate sustainable sources of income but there is a recognition that, as an Authority, we could develop this site further.

Committee's Conclusion:

- The Select Committee recognises the tough financial position that the Authority is experiencing.
- The Enterprise budget has been scrutinised in detail.
- The Select Committee recognised the challenges surrounding events management and we want to ensure that this is an important element of our revenue offer as a Council and we welcome the independent review of the summer's events that were held in 2017.
- In terms of the Alternative Delivery Model (ADM), it is important that there will be strong commercial acumen which will maximise the Authority's revenue potential.
- With regard to procurement, a promising start has been made with the establishment of the workshops. When the procurement plan is finalised, it will be presented to the Select Committee for scrutiny.
- Additional pressures are broadly comparable to last year. The re-design of budget lines are progressing.
- Adequate flow of information is required to ensure proper scrutiny may be achieved.

6. Presentation regarding the City Deal - Strategic Investment Proposal for Caldicot Town Centre

Context:

To receive a presentation and scrutinise the Caldicot Town Centre Investment Proposal.

Key Issues:

To maximise opportunities associated with:

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

- The abolition of the Severn Bridge Tolls.
- Monmouthshire's enviable centrality.
- Close proximity to the high growth border areas of Bristol and Gloucester in the South West and the 'Midlands Engine' in the North East.
- New funding opportunities i.e. Targeted Regeneration Investment Programme (TRIP).

Member Scrutiny:

- The Select Committee was pleased that this proposal was progressing.
- Lead officers are working closely with the Planning and Highways departments.
- In terms of market needs analysis, there is the specific work in Caldicot but there is a future economies analysis also being undertaken.
- The proposal is being moved forward via three projects, i.e., a residential scheme, the cross scheme and then the enterprise scheme.
- Talks have been held to improve the offer in the Hub.
- The three schemes will allow officers to be specific in terms of what is required. This will then be fine-tuned with a view to establishing funding streams.
- Post Brexit, access to European funding will no longer be available. However, the UK Government Industrial Strategy has £4.6 Billion available annually, with an additional £2.4 Billion that has been announced for research and development capacity. This money is allocated via a challenge focus, i.e., by identifying how an Authority might solve a significant problem that it faces in the future. Therefore, on the back of the City Deal, the Authority has an opportunity to be more ambitious. A report can be brought to a future Select Committee meeting outlining the industrial strategy and progress in respect of the City Deal and the opportunities that are likely to arise in the near future.
- Existing Section 106 funding is already available for this proposed scheme, which is being used to secure some match funding. When new schemes come forward in Caldicot, Section 106 funding may be secured for further assistance for this project.
- With the upcoming removal of the Severn Bridge tolls, it will be necessary to re-purpose Monmouthshire's towns.
- An extensive transport study has been undertaken using Rural Development Programme (RDP) funding and the interim report has recently been received. This report refers to transport across the whole of the County and how the Authority can optimise its transport options. A short briefing note will be produced in the coming days.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

- An area being focussed on is the establishment of a commercial strategy which will give the Authority the ability to acquire assets which may be sold on to produce commercial yield. This plan will cover commercial opportunities as well as asset opportunities for the Authority as a corporate landlord.
- Within the Local Development Plan (LDP) there are acres of employment land allocated and the needs of the industries coming forward are being looked at.

Committee's Conclusion:

- The Select Committee welcomes the Caldicot Town Centre Investment Proposal.
- The Select Committee would welcome future engagement in respect of this proposal.
- Further engagement work is required with businesses and local retailers, which is in hand.
- There is a close link with the future Local Development Plan (LDP) and the Commercial Development Plan which will be important to match the needs of those looking at Monmouthshire as a place to develop their businesses.
- The re-purposing of the town centres needs to incorporate a cultural change and not just be a cosmetic change.
- Transport networks are key to the proposed scheme with a view to linking Monmouthshire's towns together, as well as encouraging others outside of Monmouthshire to come into the County in a sustainable manner.

7. Pre-Decision Scrutiny - Section 106 Procedure Note and Policy Guidance

Context:

To receive a presentation by the Head of Planning, Housing and Place Shaping and to scrutinise the changes to processes for negotiating Section 106 planning obligations and their subsequent implementation and monitoring. Specifically, the following documents:

- Procedures for the Development, Monitoring and Control of Section 106 Schemes.
- Policy Guidance: Approach to Planning Obligations – Residential Development.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

- Recreation and Public Open Space Developer Contributions Charging Schedule.

Key Issues:

It is a legal requirement (as set out in Regulation 122 of the Community Infrastructure Levy (CIL) Regulations 2010) that a planning obligation may only constitute a reason for granting permission for the development if the obligation is:

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and
- (c) fairly and reasonably related in scale and kind to the proposed development.

The specific contents of Section 106 agreements vary from one development to another but in general terms the types of provisions contained in them can cover the following matters:

- Affordable Housing.
- Education.
- Recreation and Open Space:
 - Children's Play (generally on site).
 - Adult recreation (generally off-site financial contributions).
- Green Infrastructure.
- Travel.
 - Highway infrastructure works necessary for the development to go ahead.
 - Sustainable transport contributions – walking, cycling, public transport.

Member Scrutiny:

- An all member Seminar is being held at County Hall, Rhadyr, Usk on 1st February 2018 regarding Section 106 Contributions Planning Policy Guidance. This will then be presented to Cabinet on 7th March 2018 to seek approval of the document.
- In terms of the pooling restriction, by being specific with requests for Section 106 funding, the Authority is less likely to come up against the pooling restriction. The CiL regulations are being reviewed and as part of the review the pooling restriction might be removed. If so, this would be helpful. CiL is in the process of being devolved to Welsh Government.
- Section 106 Funding can only be asked for the scale of a project. However, five separate requests might not be enough to fund the project. This is a challenge, as the Authority would then be required to fund the remainder of the project.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

- In response to a question raised regarding potential payment following arbitration, it was noted that this process is reviewed by the District Valuation Service, rather than going to arbitration. The Developer only pays for demonstration of their case.
- With regard to off-site Adult leisure recreation contributions, it is necessary to identify what the community priorities are from the out-set. Consultation with the Community Cluster areas will also take place to identify some of the priorities. The implementation of place plans are in the initial stages of development in which town and community councils are being encouraged to produce plans for their areas. The place plans will be required to align with the Local Development Plan (LDP). However, it was noted that the current LDP is under review.
- In response to a question raised regarding the proposed Alternative Delivery Model (ADM) for leisure services and whether this might have an effect on drawing down Section 106 funding, it was noted that Newport City Council had recently changed leisure services provision via an ADM. Practice here has not changed. However, discussions will need to be undertaken regarding how Section 106 funding might be delivered under an ADM within Monmouthshire.
- The Section 106 Group comprises of cross party membership chaired by The Head of Planning Housing and Place Shaping. County Councillor D. Blakebrough expressed an interest in joining the group.
- The District Valuation Service is consulted, as an independent body, with regard to how much Section 106 Funding a developer should provide the Authority. The District Valuation Service will look at land transactions and sales figures for the area and scrutinise build costs.
- The Authority's threshold of 10 is comparable with nearby Welsh local authorities. One of the main viability challenges is around affordable housing. The Authority's greatest need is to provide social rented properties.

Committee's Conclusion:

- It is correct that the Authority takes a more strategic approach, rather than taking a reactive approach, as taken in the past.
- It is important that engagement is strengthened with Monmouthshire's town clusters.
- The Section 106 Working Group to be enhanced with County Councillor Blakebrough joining the group.
- The development of place plans within Monmouthshire's towns is the way forward.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

8. Economy and Development Select Committee Forward Work Planner

We resolved to receive the Economy and Development Select Committee Forward Work Programme. In doing so, the following points were noted:

- **15th March 2018** - Procurement Workshops – County Councillor Blakebrough to write a summary of progress to date and circulate to the Select Committee. A report on the procurement procedure will be presented to the Select Committee.
- **15th March 2018** - City Deal – The business plan will be signed off in the coming weeks.
- **15th March 2018** - Commercial Development Plan
- Cross Border Authorities – Undertake more reach out work with the proposed removal of the Severn Bridge tolls. A working group to be established to identify key priorities before meeting with cross border authorities. Establish officer interest to facilitate this working group.
- Commercial Development Plan – The Select Committee should have involvement in the development of this unit via workshops.
- Broadband – In February 2018, the Minister is announcing £80 million towards the second phase of superfast broadband. Monmouthshire will not be one of the initial authorities to receive this service. Monmouthshire has some case studies where local solutions have been found to maximise broadband connections. Therefore, there is a case for Welsh Government to provide the Authority with its allocation of funding so that the Authority might find its own solutions to the broadband issues currently being experienced in the County.
- Invite Vivian Collins, Manager for the Superfast Broadband scheme, to a future Select Committee meeting to establish whether Monmouthshire is receiving value for money with regard to its current broadband provision.

We resolved that the Chair:

- Writes to the Deputy Chief Executive to ask if resource can be found to focus on broadband provision within the County for the next two years;
- Asks the Deputy Chief Executive to write to Welsh Government requesting that Monmouthshire County Council receives its allocation of Welsh Government money, as the Authority has the case studies to undertake the required work.
- Invites a representative from Welsh Government and a representative from BT to attend a future meeting of the Select Committee to discuss broadband provision for Monmouthshire.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA. on Thursday, 25th January, 2018 at 10.00 am

- writes to the Corporate Director for Enterprise stating that the Select Committee regards the Commercial Development Plan as a key issue and that the Select Committee would be willing to aid in the development of this plan.
- Writes to the Welsh Government Cabinet Secretary for Economy and Infrastructure extending an invitation for him to attend a future meeting of the Select Committee.

9. Council and Cabinet Business Forward Work Programme

We received the Council and Cabinet Business Forward Plan and noted its content.

10. Next Meeting

The next Economy and Development Select Committee meeting will be held in the Council Chamber, County Hall, Rhadyr, Usk, on Thursday 15th March 2018 at 10.00am.

The meeting ended at 12.50 pm.