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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, 27th
February, 2017 at 2.00 pm

PRESENT: County Councillors: R. Chapman, D. Dovey, A. Easson, D. Edwards,
R. Edwards, P. Farley, R. Harris, P. Jones, M. Powell, J. Prosser,
V. Smith and A. Wintle

Co-opted Members:

Mr. M. Fowler (Parent Governor Representative)
Mr. D. Hill
Mrs. D. Hudson

OFFICERS IN ATTENDANCE:

Ian Saunders	Head of Tourism, Leisure and Culture
Marie Bartlett	Finance Manager
Tracey Thomas	Youth & Community Manager, Youth Service
Richard Simpkins	Business Manager - Tourism Leisure and Culture
Matthew Lewis	Countryside Manager
Matthew Gatehouse	Policy and Performance Manager
Mark Howcroft	Assistant Head of Finance
Hazel Ilett	Scrutiny Manager
Richard Williams	Democratic Services Officer

GUESTS:

Olwyn Dutton	-	Legal Adviser, Anthony Collins Solicitors
Kevin Ford	-	Business Planning, Anthony Collins Solicitors

APOLOGIES:

County Councillors P. Clarke, D. Evans, M. Hickman, S. Howarth, P. Jordan, P. Watts
and A. Webb.

1. Election of Chair

We elected County Councillor P. Jones as Chair.

2. Appointment of Vice-Chair

We appointed County Councillor P. Farley as Vice-Chair.

3. Declarations of Interest

There were no declarations of interest raised by Select Committee Members.

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

Context:

To provide the Joint Select Committee with an Outline Business Case (OBC) and associated papers that considers the range of alternative delivery models for the Tourism, Leisure, Culture and Youth Services (TLCY) following an independent options appraisal by Anthony Collins Solicitors.

Key Issues:

As one of the Council's key priorities is to 'maintain locally accessible services' the options appraisal needed to assess which of the principle Delivery Options could create the potential for growth and sustainability for the services as well as an analysis of the legal and governance structures available and make recommendations on:

- Growth and investment opportunities.
- Skills gaps.
- Human Resources (HR) including TUPE and future pension arrangements.
- Procurement routes for awarding services.
- Asset / leasehold transfer implications.
- Stakeholder engagement to maximise staff, community and service user involvement.

The objectives of Anthony Collins have been to consider the right mix of services and the best new Delivery Option to help the Council address the projected £542,000 funding shortfall over the next four year period. A full analysis of options of the OBC has resulted in four recommended Principle Delivery Options namely:

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

The Pros and Cons of each of the four delivery options were then measured in order to assess the strategic, economic, commercial, financial and management case for change. In addition, a wider analysis was undertaken, informed via a due diligence

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process. Best practice research was also carried out to find other Councils that have implemented innovative Delivery Options.

In addition, the Options were also assessed against their ability to meet the Council's four key priorities whilst also providing enhanced opportunities to:

- Increase flexibility and agility in responding to needs and change.
- Freedom to market and trade its services.
- Improve services through innovation and a culture of enterprise.
- Introduce lean processes that reduce duplication of effort and increase use of technology and self-service, making it easier for residents to access services and obtain information and advice.
- To establish a sense of 'ownership' amongst staff and service users with a view to improving morale, motivation, job satisfaction and ultimately the quality of service.
- Access funding and tax efficiencies currently outside the scope of the Council.
- Offer higher levels of engagement and achieve economies through collaboration and partnership.

Should the Council agree the Outline Business Case, the next steps would be to move to preparing the Full Business Case. There is considerable work to be done to demonstrate a full comparative analysis between Options 2 and 3, and to ensure that all questions raised by the Senior Leadership Team (SLT) and the Finance Department are fully responded to.

The Full Business Case will provide more detail in the following areas: outcome of the procurement process, a final check on affordability and value for money; staffing considerations; the contract details; a comprehensive delivery plan and benefits realisation.

Member Scrutiny:

- The whole process was to identify relevant grants that fitted the criteria that the Alternative Development Model (ADM) was relevant to. The County Council has a good record of obtaining grants. Due to the breadth of services, Anthony Collins, Solicitors, has advised that there should be a holding company (Teckal Company) and then below that, have a trading company and a charitable organisation also. Each of these have separate advantages and separate disadvantages. This will maximise the company's ability to obtain grants and maximise its ability to draw upon charitable opportunities. It will also maximise the ability of the Council to respond quickly to opportunities that arise and to take advantage of trading opportunities also.

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- Control and governance is being worked on resulting in more opportunities for Members to hold workshops on the governance side of this issue. The workshops will investigate how standards are being measured, public expectations, efficient and effective organisation and protection of resources.
- It is important that the Authority has the right level of control over what happens. The right balance, via a shareholder agreement, will allow the ADM to undertake its role without having to have undue influence from the Council. As a shareholder, the Council will be able to set the parameters of how the company should be run in line with the Authority's values, have a say in who should be appointed as company director, have a say in the granting of shares and loans, have a say in approving the company's business plan, receive regular updates from the company, have senior officers and non-executive directors on the Board.
- Accountability is important.
- In response to a Select Committee Member's question, it was noted that if the service goes into a Teckal company, it will be wholly owned by the Authority. There will be regular meetings with an officer to ensure that the services are responding and delivering quality of service. Regular meetings and updates of the ADM will be presented to a scrutiny panel or board, i.e., a similar process that currently occurs. The role of local councillors is important and needs to be taken into account when the constitution is drawn up ensuring that there is joint ownership between the Council and the public. Senior officers will be able to focus on the strategic issues of running the Council.
- In response to a Select Committee Member's question regarding options should the ADM fail to be successful, it was noted that an exit arrangement should be written into the agreement. There are options available to the Authority, should this happen, one of which would be to bring the Service back into local Authority control.
- Elected Members that serve on the Board of an ADM could be appointed for the Council term.
- Full Council will make a decision on proposals by the end of March 2017. At this stage, all the details and facts are presented to Members. A new Council will be elected in May 2017. During the summer of 2017, new Members will be made aware of the options with a view to a full business plan being presented for decision in September 2017.
- This presents an opportunity to get closer to communities via the ADM.
- In response to a Select Committee Member's question regarding the Youth Offer, protection of staff and pension protection, it was noted that the Youth Offer would be most suited within the ADM alongside other services. Transferred staff will be employed with the same terms and conditions and pension rights under TUPE

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arrangements. The new body would become an admitted body of the Gwent Pension Fund at the outset. Preparatory work is being undertaken to ensure staff are ready for the transfer. The Trade Union Side are being kept abreast of developments and are being consulted in this matter.

- Regular staff engagement events are being held. All staff have been met over the last 12 months. Staff may also post questions on the Hub, via email or through change ambassadors to ensure engagement occurs at all times. It was noted that the vast majority of staff are looking forward to the future and the potential opportunities that will arise.
- The ADM will need to build up a working capital reserve likely to be in the sum of £400,000. It is intended to build up to this figure over a five year period.
- In terms of establishing a business plan for the ADM and a prediction of grant funding over the next five years, it is anticipated that a 10% fall is to be predicted for every successive year. Therefore, officers are trying to ensure that the ADM will be based around realistic grant funding provision and the business case will take account of that.
- The business plan has been subjected to various stress tests.
- There are areas of funding that are currently not available to local authorities. This area is being investigated and being scrutinised. This is a potential area to obtain funding as access to grants are likely to decline in the coming years. Sponsorship opportunities will also be investigated.

Committee's Conclusion

The Chair summed up as follows:

- On behalf of the Joint Select Committee, the Chair thanked officers and the representatives from Anthony Collins, Solicitors, for providing and presenting a clear and concise report.
- The outline business case was clear and precise and the Committee looked forward to receiving the full business case in the future.
- The importance of scrutiny must be identified in the constitution of the ADM.

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5. Well-being Assessment and Well-being Objectives

Context:

To consider the draft well-being assessment, as well as considering the emerging Well-being Objectives ahead of a decision by Council on 20th March 2017.

Key Issues:

The Well-being of Future Generations (Wales) Act 2015 places a well-being duty on public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area by contributing to the achievement of the seven well-being goals. The four statutory members of the PSB are the Local Authority, Local Health Board, Fire and Rescue Authority and Natural Resources Wales, other organisations are also invited. As part of this responsibility the PSB has produced a draft well-being assessment which assesses the state of economic, social, environmental and cultural well-being in Monmouthshire.

The production of a well-being assessment is a key part of identifying the priorities for the area that the Public Service Board will work to progress. The assessment is evidence based and draws on a range of sources, in particular: data; the views of local people; information about future trends and academic research.

The assessment highlights a number of strengths on which the Authority can build a future for the people and communities of Monmouthshire and also a number of problems and challenges that need to be addressed. During the consultation phase between January and February 2017 the PSB is seeking the views as to whether the right issues have been identified based on the evidence presented as part of the assessment?

The challenges and opportunities facing public services in Monmouthshire are in the process of being finalised through the consultation process and discussions with PSB partners. They are identified in the draft assessment as:

- Inequality between communities and within communities.
- Wage levels available locally are low, coupled with high property prices, making it difficult for young people and future generations to live and work locally.
- With an increasingly globalised economy and technological advances, tomorrow's workforce will need a very different skillset to those of today's school leavers.
- Limited public transport, particularly in rural areas, makes it harder for people to access jobs, services and facilities. This could be exacerbated by rising fuel prices but there are also future opportunities from things like automated vehicles.

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- Adverse childhood experiences have a negative impact on people's long term health and economic prospects and can be perpetuated through the generations.
- There is a need to increase healthy behaviours with a particular focus on the first thousand days of a child's life.
- Reducing levels of physical activity which along with dietary changes are leading to growing levels of obesity. This is likely to lead to an increase in long-term conditions.
- An ageing population brings many opportunities. However, there are also challenges for service provision and increases in the number of people living with long term conditions.
- The natural and built environment needs to be protected and preserved for future generations, due to risks from development, climate change and pollution.
- There are human health impacts of air pollution, especially in Usk and Chepstow.
- Water pollution is a concern, especially from changing agricultural practices.
- Climate change is likely to increase the risk of flooding, as well as many other risks, so mitigating climate change and building resilience is crucial.
- There is a need to increase accessibility of arts, culture and heritage and to ensure adequate provision of Welsh Medium education.
- Monmouthshire has high levels of social capital and volunteering. By taking an asset and placed based approach there is an opportunity to improve well-being.

The Council also has a responsibility under the Well-being of Future Generations (Wales) Act 2015 to set its own well-being objectives. To achieve this the organisation must:

- Set and publish well-being objectives by 31st March 2017.
- Take all reasonable steps to meet those objectives.
- Publish a statement about well-being objectives.
- Detail arrangements to publish an annual report of progress.

The Council is still required under the Local Government (Wales) Measure 2009 to set annual Improvement Objectives and produce an Improvement Plan. Welsh

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Government is consulting on a proposal to repeal Part 1 of the Measure which would remove this requirement in future years. Following discussions with regulators and the WLGA, it has been deemed sensible to combine the two requirements in a single set of clear objectives to be published by 31st March 2017.

The emerging well-being objectives bring together the latest evidence from the draft well-being assessment, policy and legislation to set out how the Authority will strive to deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs.

To support the delivery of the well-being objectives, which are focused on the outcomes that enhance the quality of life of citizens and communities, The Authority also has to ensure that the organisation remains relevant and viable for the next generation, while continuing to meet the needs of residents, visitors and businesses now.

One of the fundamental approaches advocated by the Act is a shift in focus from gains in service output to a stronger link between the actions of public bodies and the outcomes that enhance the quality of life of citizens and communities both now and in the future. This means that the measures aligned to the objectives will have a longer term focus.

In order to meet the legislative requirement of approving and publishing the Wellbeing Objectives by 31st March 2017, further details on actions that will be taken to deliver the objectives and metrics to evaluate progress are still being developed. With the local elections being held in May 2017, it is proposed that the objectives will be further developed and presented to the new Council following the local elections and subject to discussions with the incoming administration.

Public Service Boards also have a planning responsibility to produce a local well-being plan by May 2018. The local well-being plan will provide important evidence that may inform the Council's well-being objectives.

Member Scrutiny:

- In response to a Select Committee Member's question regarding the lack of and cost of transport provision in the countryside for children wishing to undertake further education. It was noted that this issue comes across strongly both in the evidence in the data and in conversations that officers have had with people. This matter is being raised through the Future Monmouthshire agenda and this matter may be looked at via the Public Services Board.
- In response to a Select Committee Member's question regarding Flying Start, it was noted that the case studies identified through this scheme are evidence that early interventions are important in the early years of a child's life.
- Page 24 of the Monmouthshire Public Service Board Well-being Assessment: Summary – Severn is not a ward in Chepstow.

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- Page 25 of the document, paragraph 4, reference to St. Mary's – In response to a Select Committee Member's question regarding this paragraph, officers would check the accuracy of the data.
- In response to a question raised regarding the well-being of carers who care for elderly people within their home and the need for respite care to be provided, it was noted that there is a substantial section within the document referring to carers' needs. However, the issue raised might not come through explicitly enough via the summary. Therefore, officers will investigate this matter to ensure that this matter is adequately reflected.
- The Chair informed the Committee that there will be a Joint Select Committee Meeting between the Children and Young People Select Committee and the Adults Select Committee on the 23rd March 2017 which will scrutinise the Young Carers Strategy. Some young carers will be attending the meeting.
- Page 2 of the report, paragraph 4.4, bullet point 13, There is a need to increase accessibility of arts, culture and heritage and to ensure adequate provision of Welsh Medium Education – It was noted that the reference to Welsh Medium Education was attached to this bullet point because the way in which the legislation is defined, the Welsh language is a part of the cultural aspect of how this is described within the act.
- The four well-being objectives were identified, as follows:
 - Provide children and young people with the best possible start in life to help them achieve better outcomes.
 - Maximise the potential in our communities to improve well-being for people throughout their life course.
 - Maximise the benefits of the natural and built environment for the well-being of current and future generations.
 - Develop opportunities for communities and businesses to ensure a well-connected and thriving county.
- Housing availability and quality is fundamental to people's well-being. More emphasis regarding this matter should be identified in the document.
- In response to a question raised regarding the state of Monmouthshire's Infrastructure, it was noted that this matter will need to be adequately referenced within the document.
- The investment of how the Authority invests Section 106 Funding is a matter that a Select Committee might wish to scrutinise in future.

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Committee's Conclusion

The Chair summed up as follows:

- On behalf of the Joint Select Committee, the Chair thanked the officer for presenting the report.
- The Joint Select Committee supports the report and acknowledges the work that has gone into producing it.
- Issues were raised around young carers, transport and infrastructure which should be accounted for in the report.
- The Joint Select Committee approves the well-being objectives with the additional matters raised.

We recommended that the report be presented to Full Council.

The meeting ended at 4.12 pm