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MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 6th April, 2017 at 2.00 pm

PRESENT: County Councillor S. Jones (Chairman)

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

Also in attendance:

County Councillors R.J.W. Greenland, P. Jones and V. Smith.

Vivien Collins – Project Manager for Superfast Cymru

David Elsmere – Partnership Manager for Superfast Business Wales

Mary Shooter – Llanover Community Council

Andrew Neville - Llanover Community Council

Alan Williams - Llanover Community Council

Morgan Chandler – Landlord, Upper Llanover

OFFICERS IN ATTENDANCE:

Cath Fallon

Head of Economy and Enterprise

Rob O'Dwyer

Head of Property Services and Facilities Management

Hannah Jones

Youth Enterprise Manager

James Woodcock

Business Insights Manager

Hazel Ilett

Scrutiny Manager

Richard Williams

Democratic Services Officer

APOLOGIES:

County Councillors: B. Hayward, D. Evans, J. Prosser and S. White.

1. Chair's announcement

As this was the final meeting of the Economy and Development Select Committee before the local Elections are held on 4th May 2017, the Chair wished to thank the Scrutiny Manager, the Democratic Services Team and the Select Committee for their input and support during the previous five years.

2. Declarations of Interest

County Councillor S. Jones declared a personal, non-prejudicial interest pursuant to the Member's Code of Conduct in respect of agenda item 6 – Update regarding rate re-valuations, as she is the Head of the Welsh Retail Consortium. She stood down from chairing this agenda item but remained in the meeting. County Councillor A. Wintle was elected to chair agenda item 6, as the Vice-Chair was not present at the meeting.

County Councillor S. Jones declared a personal, non-prejudicial interest pursuant to the Member's Code of Conduct in respect of agenda item 7 – Y Prentis Update as she works for an organisation that deals with levy payers in the retail industry.

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3. Confirmation of Minutes:

3.1. Economy and Development Select Committee dated 9th February 2017

The minutes were confirmed and signed by the Chair.

In doing so, it was noted that the organisers of the velothon had been invited to attend today's meeting but were unable to do so. An invitation has been extended to the organisers, with a view to them attending a future meeting of the Select Committee.

The Scrutiny Manager would make available to the Select Committee the return on investment report.

3.2. Joint Select Committee (All Four Select Committees) dated 27th February 2017

The minutes were confirmed and signed by the Chair.

4. Broadband Provision in Monmouthshire

We welcomed Vivien Collins, Manager for Superfast Cymru and David Elsmere, Partnership Manager for Superfast Business Wales to the meeting in order to receive the following presentations:

- An update on Superfast Cymru deployment.
- An update on Superfast Business Wales.

Superfast Cymru Deployment

Statistics relating to Monmouthshire:

• Total Premises in Intervention Area	-	23,290
• Total Premises Passed at 24Mbps and above	-	16,596
• FTTC Premises Passed	-	15,481
• FTTP Premises Passed	-	1,115
• LA Intervention Area Percentage Complete	-	71.26 %
• FTTC Take- up	-	32.26%
• FTTP Take-up	-	21.45%
• Average Download Speeds	-	78Mbps

Having received a presentation regarding Superfast Cymru deployment, the Chair allowed members of the public and representatives from Llanover Community Council to outline their concerns and ask questions with regard to this matter. In doing so, the following points were noted:

- Llanover had received a presentation from BT last year. However, not one of the promises made by BT have been followed up. There appears to be no sanctions in place to ensure the completion of the promises made. In response, it was noted that BT has quarterly targets that have to be met but they are not location

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specific. However, BT has to meet the numbers set. If this does not happen, financial penalties are put in place.

- In response to a question raised regarding the definition of an isolated area, it was noted that there is no definition. However, the Manager for Superfast Cymru stated that with regard to specific places that are currently experiencing problems with their broadband connection, she would raise these issues with BT.
- It was noted that 96% of properties in Wales would receive broadband access other than the very remote areas within Wales. Monmouthshire is a rural County, however, it is not remote.
- Concern was expressed regarding the lack of knowledge displayed by BT when an engineer visits the Llanover area. Often, engineers rely on local knowledge to inform them of the location of the boxes and which property is connected to which box. This happens regularly. It appears that this information is not held for the next time that an engineer visits a particular location. The Manager for Superfast Cymru stated that this matter would be taken back to BT.
- A property in Llanover has three BT lines for three different businesses. However, not one of the lines receives reliable broadband provision. This is affecting the efficiency of the businesses. The property is only located two miles from the main highway. The resident is paying for two broadband lines but is not receiving an adequate service. The Manager for Superfast Cymru agreed to take the details of the property and would obtain a response from BT.
- It was noted that the farming community needs to have a reliable broadband provision as certain data and grant claims can only be submitted to government departments online.
- The landlord of a public house in Upper Llanover is experiencing similar problems with unreliable broadband provision which is having a detrimental effect on his business. The Manager for Superfast Cymru stated that she would take away the specifics of this issue and pass them on to BT.
- Two of the major sectors in Monmouthshire are tourism and farming which are being negatively impacted upon by the lack of good quality broadband provision.
- It was considered that Welsh Government should insist on the provision of a minimum broadband speed with a view to ensuring a consistent service.
- The Manager for Superfast Cymru stated that for those areas without broadband provision to date and which may not be in the programme, these areas can apply for an Access Broadband Cymru (ABC) Grant.

Members' Scrutiny

- Surveys for the Raglan area have been returned and the main issues here are the poor broadband service that is being provided.

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- With regard to the next steps, it was noted that on completion of the current contract in 2017, during the last six months the aim is to go out to procurement to take the network further. The Minister has earmarked a £80M budget for the next three to five years.
- Areas that are not located within the Intervention area may apply for an Access Broadband Cymru (ABC) Grant.
- Communities that are not located within the Intervention area would need to write to the Minister requesting that they be included.
- A public consultation exercise will be held at the beginning of May 2017 for one month. This will allow communities to check whether they have been included in the Intervention area. This will be via a premises level and not a post code level.
- With regard to individual inquiries, the Authority is holding a database for those premises that have an issue, to register. Some pilot schemes are currently running. One of these is for TV white space which uses analogue television signals for broadband. The other pilot scheme is AB Internet. The funding for the AB Internet pilot scheme, which includes Llanover, came directly from the UK Government.
- With regard to cabling, it was noted that cabling can be installed but is not live. When it does become live, which can take up to two to three months, BT will then start contacting residents. There is an availability checker on the Welsh Government Website. Communications regarding this information is not common. BT need to be made aware of this issue.
- The EcoPOP system uses renewable energy to power the AB internet system. However, there have been some issues regarding reliability of this system which has been noted.
- Monmouthshire was one of the first regions in Wales to receive fibre cabling but is the last region to be connected.
- The new housing estates in Monmouth have fibre cabling. Other areas within Monmouth rely on copper cabling with slower speeds.
- Concern was expressed that the contract with BT relies on the number of connections provided. Therefore, BT will go to the areas that are easier to connect rather than going to the areas that necessarily require connection sooner. It was considered that the contract needed to be reviewed.
- The upcoming City Deal and the reduction in the tolls on the Severn Bridge is good news. Therefore, enquires are being made by businesses with regard to the opportunities and availability for new business locations in Monmouthshire. However, Monmouthshire has the worst broadband provision in Wales which is having a negative impact on existing businesses and businesses looking to establish locations within the County.

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- It was noted that without the intervention area over 16,000 premises within Monmouthshire would not have received the service.
- With regard to the numbers targets, it was noted that BT is required to go to a number of specific postcodes which are identified as priority areas. These areas are determined at the beginning of the project and are known as value zones and are located in the more hard to reach areas. BT have to reach 100% of these value zones.
- It was advised that the County Council and the Town and Community Councils within Monmouthshire should write to the Welsh Government Minister and ensure that they are vocal in the public consultation exercise for the next phase.
- An invitation to attend a future meeting of the Select Committee should be extended to the Minister to hear the concerns directly.
- Monmouthshire is currently at 71% broadband coverage. New figures will be available at the end of May 2017.
- It was considered that rural communities were missing out on broadband provision even though funding for broadband provision in rural communities has been made available.
- Concern was expressed that broadband provision in Monmouthshire was poor and needed to be brought up to the same standard as other counties within Wales. This message would be taken back to BT.
- The consultation process will be available on line and also via post.
- Many residents are paying for Superfast Broadband but are connected to the wrong Cabinets and are paying for a service that they cannot access. This matter would be taken back to BT.
- In response to a question raised, it was noted that some of the premises left are those where a connection is expensive to install. There is a finite budget for the programme. The aim is to get as many premises passed as possible. Therefore, some of the very expensive premises will be outside the programme. There is also a contract clause which states that if it is likely to cost more than £1700 to go to a single property then BT has to go to the Welsh Government to ask permission to go to the property or whether BT should go to an area that will provide better value for money.
- Contrary to information provided regarding Superfast Broadband provision in Devauden, it was noted that this service had not been installed in the village and residents were still waiting to be connected.
- BT had put in a claim on a monthly basis for a number of premises under a number of exchanges. There are two full time consultants who investigate whether the information provided by BT is technically correct. 20% of premises

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are then physically checked to ensure that the connections are correct. This includes download speeds.

Superfast Business Wales

Member Scrutiny:

- There are five workshops that will be held in Monmouthshire.
- With each of the local authorities, Superfast business Wales has a delivery plan which is a working document.
- Part of the workshop delivery is live via websites so good broadband connectivity is required to demonstrate the programme.
- Breakfast events are also held.
- Liaison with the County Council is key to ensuring success and the Authority is very supportive of the programme.
- The Select Committee would welcome a progress update in a few years.

Committee's Conclusion:

- We have not seen the assurances that we were seeking or hoping for.
- There are opportunities to influence improvements.
- Answers to the questions raised are required.
- The approach being taken by BT is actively damaging to the County because we are falling behind the rest of Wales.
- We need to ensure that we are supporting our rural communities, businesses and tourism by building up the digital infrastructure which needs to be effective and fit for purpose for the future.
- Be aware of the consultation period which commences in May 2017 and to act accordingly.
- Members to receive a map of Monmouthshire identifying areas within the County, at a premises level, that are receiving a satisfactory broadband provision.
- The Chair will write on behalf of the Select Committee, capturing the issues discussed today and send to the Minister with a request that the Minister attends a future meeting of the Select Committee to answer questions regarding this matter.

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5. Youth Education-Enterprise Offer

Context:

To scrutinise the 2017/18 Action Plan for the Youth Education-Enterprise Offer.

Key Issues:

To raise awareness of and develop the Youth Education-Enterprise Offer by working with schools, colleges and other partners to enhance current provision in a more cohesive way. The offer will utilise good practice from partners to enhance existing enterprise and entrepreneurship opportunities in Monmouthshire.

To provide learning, training and employability opportunities through the delivery of Inspire2Achieve (I2A) and Inspire2Work (I2W) ESF (European Structural Fund) programmes for 11-24 year olds, working towards ESF priority 3 – Youth Employment. Specific Objective 1 – To reduce the number of 16 -24 years olds who are Not in Education, Employment or Training (NEET) and Specific Objective 2 – To reduce the number of those becoming Not in Education, Employment or Training (NEET) amongst 11 -24 year olds.

To sustain the Engagement and Progression Coordinator (EPC) function, which will contribute to reduced risk of young people becoming NEET and better outcomes for young people by brokering the right options and support interventions.

To work closely with partners to implement a support package for those most vulnerable NEET 16-24 year olds to extend their skills and interests, and reduce homelessness by promoting independent living.

To seek to increase engagement between young people and local business in stimulating future career pathways and local employment opportunities, by introducing national events to a local audience and collaborating with local employers.

To provide work experience / placement, traineeship and apprenticeship opportunities within a policy framework, supporting the 'Y Prentis' apprenticeship programme.

Member Scrutiny:

- In response to a Select Committee Member's question regarding young carers, it was noted that the report makes reference to vulnerable young people which includes young carers.
- It was essential that every young person reaches their full potential. For some young people, apprenticeship schemes were vital in enabling them to achieve their goals.
- It would be appropriate to review progress of the action plan throughout the year including success stories of case studies.

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- Try to engage more business.
- The Offer will be taken into schools and colleges with a view to opening up more opportunities for young people. Inviting businesses into schools will also be undertaken inviting open dialogue between schools / colleges and businesses.

Committee's Conclusion:

We resolved:

- (i) to support the Youth Education-Enterprise Offer Action Plan to enable continued engagement and participation with young people, schools and partners.
- (ii) that Members promote the Youth Education-Enterprise Offer in their representation role in their wards across Monmouthshire.
- (iii) to visit Business Mentors.

6. Business Rate Re-valuations

Context:

To provide an update regarding business rate revaluation from 1st April 2017.

Key Issues:

- The revised rateable values come into force on 1st April 2017.
- The Council uses the rateable value to calculate business rate bills by multiplying it by a rate poundage set annually by the Welsh Government.
- For 2017/18 that poundage is 0.499. New rates bills show the revised rateable value and the amount payable for the 2017/18 financial year.
- The revaluation exercise has resulted in significant changes in rateable value for some businesses and Welsh Government recognises that businesses need time to adjust to an increase in their rate liability and so have introduced new regulations to provide a transitional relief scheme. No application is required – The Council will automatically apply this relief to eligible businesses as follows:
 - 2017/18 75% of the increase in charge.
 - 2018/19 50% of the increase in charge.
 - 2019/20 25% of the increase in charge.

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Qualification for Transitional Relief

- Ratepayers in receipt of Small Business Rate Relief (SBRR) on 31st March 2017 which is either reduced or removed as a result of an increase in rateable value following the revaluation.
- The business premises must be shown in the Rating List on 31st March 2017.
- There must be an increase in rate liability greater than £100.
- The property must be occupied.
- The ratepayer must continue to be the same as the one liable on 31st March 2017.
- The ratepayer must not be in receipt of relief under S44A (applies to property which is partially unoccupied for a short time only).
- If someone qualifies for transitional relief it will be shown on their rates bill.

Small Business Rate Relief (SBRR)

The SBRR scheme will continue into 2017/18. Properties with a rateable value up to £6,000 pay nothing. Properties with a rateable value between £6,001 and £12,000 receive tapered relief. Businesses in receipt of SBRR may also benefit from the transitional relief scheme.

If someone qualifies for small business relief it will be shown on their rates bill.

Targeted High Street Rate Relief Scheme

Welsh Government has recently announced funding of £10 million to be distributed between the 22 local authorities in Wales to provide further assistance to certain retail businesses including those which have seen their rates increase significantly as a result of the revaluation. The scheme is based on the previous Wales Retail Relief Scheme, using broadly the same exceptions and eligibility criteria to define what constitutes a retail property.

Some details of the scheme have only just been finalised but it will provide two tiers of relief. Up to £500 (tier 1) and £1,500 (tier 2) to qualifying properties with a rateable value of £50,000 or less in the financial year 2017/18.

This new High Street relief can be given in addition to SBRR and transitional relief and will be applied to the net bill after all other reliefs have been applied. Relief is given based on the circumstances of the property and the ratepayer on 1st April 2017. Changes that occur after that date have no impact on eligibility for relief.

Businesses not entitled to the targeted High Street relief include:

- Properties with rateable value greater than £50,000.

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- Properties not reasonably accessible to the public.
- Properties situated in out of town retail parks or on industrial estates.
- Properties that are not occupied.
- Those in receipt of mandatory charitable rate relief.

Member Scrutiny:

- Some businesses in Monmouthshire are experiencing business rates increases of up to 585%.
- The Cabinet Member has written to Mark Drakeford, Cabinet Secretary, Welsh Government, to make him aware of the issues Monmouthshire is experiencing at a local level.
- Monmouthshire is experiencing an average increase of 7% whilst Cardiff is receiving a decrease of 5%.
- In England, where there have been business rates increases for small businesses and public houses, these have been capped at an increase of £50 per month and then graduated over a period of time to allow businesses to get used to the increases. This scheme is not being operated in Wales.
- There is concern that businesses are not being protected against these large increases in business rates which could lead to disaster for some businesses in Monmouthshire.
- There is an appeals process which is free. In the interim, businesses will be required to pay any increases during the appeal process but the money will be reimbursed if the appeal is won. Appeals will be expedited where there are hardship cases.
- Bills have now gone out to businesses for their business rates. These bills take account of any small business rates relief that a business might be eligible for and transitional relief but the high street rate relief scheme had not been finalised in time to be incorporated into business rates bills. Therefore, bills will need to be re-issued in due course to reflect any high street rates relief that businesses might be eligible for.
- Concern was expressed that hospitality businesses were being targeted with regard to their rateable values.
- Moderation across Wales has not been applied.

Committee's Conclusion:

- A Member's briefing from the Valuation Office Agency (VOA) regarding rate revaluations should be considered.

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- The views outlined would be forwarded to the Welsh Government expressing the concerns raised in respect of business rate increases for Monmouthshire's businesses.

7. Y Prentis

Context:

To scrutinise the 2016-18 Y Prentis Business Plan.

Key Issues:

Y Prentis was established in 2012 by CMC² and Melin Homes as a 'not for profit' company, limited by guarantee. Y Prentis is the only Construction Industry Training Board's (CITB) approved deliverer of shared apprenticeships in construction in South East Wales. Its vision is to 'provide long term sustainable employment opportunities to help young people maximise their potential' and its aim is to recruit 50 new CITB sponsored apprentices per year and 10 Y Prentis sponsored apprentices per year.

Y Prentis is clear in its priorities which are to:

- Deliver more apprenticeships to meet industry need.
- Keep the pipeline of new entrants flowing.
- Develop a career offer that promotes the construction sector as a route to economic prosperity for people of all backgrounds.
- Work with CITB, schools, colleges, universities and other training providers to ensure we develop their knowledge and understanding of the construction sector's requirements.
- Provide support to help businesses to improve their competitive edge and to take advantage of new opportunities.
- Work with the CITB, industry and government to help deliver infrastructure projects.

Member Scrutiny:

- To date, Y Prentis has enabled over 160 young people into sustainable living wage apprenticeships of which 12 have been from Monmouthshire.
- In response to a Select Committee Member's question, it was noted that the detail of the levy is still being developed. Officers are waiting for Welsh Government frameworks and advice.

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- Demand is already high and is forecast to continue to be by high in the coming years in terms of skills required for the construction industry. Y Prentis is perfectly positioned to provide that service.
- A study is being undertaken via the Rural Development Programme (RDP) in terms of needs for the catering sector. There are likely to be opportunities for apprenticeships in this field and in many other areas.
- The Y Prentis Model can apply to different sectors but it is particularly suited to the construction industry and also engineering.
- In response to a Select Committee Member's question, it was noted that Y Prentis has eight partnered colleges. Y Prentis is partnered with 60 contractors and it has in the region of 30 clients. The dialogue with colleges with regards to what is required is ongoing but does need to be taken further.
- The type of education needed to be put in place in all schools and colleges needs to be able to cater for the types of apprenticeships on offer. The education strategy is currently being reviewed. Therefore, this is a good opportunity to address these issues.
- The Y Prentis model covers the whole of the South East Wales region. Therefore, no one is excluded from the portfolio of potential projects that could factor into providing training opportunities for young people.
- In response to a Select Committee Member's question regarding Y Prentis finances, it was noted that Y Prentis is operating at a surplus and has a healthy reserve to fall back on if required.
- There is a close working relationship being undertaken with Careers Wales with regard to advising young people. It was noted that Costain was currently working on the Heads of the Valleys Dualling between Gilwern and Brynmawr and were encouraging the public to visit the site. Schools should be encouraged to take students to the site. It was noted that this matter had been identified and there was an appetite to follow this matter through.

Committee's Conclusion:

- The Economy Committee at the Welsh Assembly has an ongoing inquiry regarding apprenticeships. Monmouthshire County Council could put forward its view with regard to this matter with a view to helping to shape national policy.

8. Economy and Development Scrutiny Forward Work Programme

We scrutinised the Economy and Development Select Committee Work Programme.

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In doing so, the work programme would be amended to include the organisers of the velothon attending a future meeting of the Select Committee.

We resolved to receive the report and noted its content.

9. Cabinet & Council Forward Work Programme

We resolved to receive and note the Cabinet and Council Forward Work Programme.

10. Next meeting

The next meeting of the Economy and Development Select Committee will be held on Thursday 8th June 2017 at 10.00am.

The meeting ended at 4.50 pm.

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