

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the Economy and Development Select Committee held at County Hall, Usk on Tuesday 23rd September 2014 at 10.00 am Agenda Item 3

PRESENT: County Councillor S. Jones (Chairman)

County Councillors: D.L.S Dovey, D.L. Edwards, J.L. Prosser, A.C. Watts, A. Wintle and K.G. Williams

ALSO IN ATTENDANCE:

County Councillors P. Murphy and R.J.W. Greenland

County Councillor P.A. Fox representing the Cardiff Capital Region Board

OFFICERS IN ATTENDANCE:

Ms. K. Beirne	- Chief Officer Enterprise
Mr. P. Davies	- Head of Commercial & People Development, Enterprise
Ms. S. Hayward	- Programme Manager & Employee Services Lead
Mr. M. Lewis	- Chief Operating Officer SRS
Mr. M. Howcroft	- Assistant Head of Finance
Ms. N. Edwards	- Food & Tourism Strategic Manager
Ms. H. Ilett	- Scrutiny Manager
Mrs. N. Perry	- Democratic Services Officer
Mr. R. Williams	- Democratic Services Officer

1. APOLOGIES FOR ABSENCE

We received apologies from County Councillors R. J. Hayward and S. White.

2. DECLARATIONS OF INTEREST

Declarations of interest are identified under the relevant minute.

3. CONFIRMATION OF MINUTES

We confirmed the minutes of the Economy and Development Select Committee held on 19th June 2014 as an accurate record and they were signed by the Chairman.

We confirmed the minutes of the Economy and Development Select Committee held on 14th July 2014 as an accurate record, with the following amendments:

- County Councillor K. Williams was present.

During discussion of matters arising from the minutes, the following points were noted:

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- A suggestion was made regarding Byfield Lane car parking charges, in that the charge should be reduced to £1.00 per day for a 12 months trial period.
- Further information was requested regarding the Nelson Street car park.

4. PUBLIC OPEN FORUM

There were no members of the public present.

5. FUTURE SHARED RESOURCE SERVICE (SRS) PRESENTATION

We received a presentation by the Chief Officer for Enterprise to update on the Shared Resource Service. The presentation informed the committee that SRS was a very significant part of the Authority's technology portfolio, but not the only part. As a Local Authority, we retain a high level strategic responsibility for IT, and commission services from SRS. The presentation outlined the following points:

Review

1. Review core areas of service: governance, finance, core service and culture/ identity
2. Clearer measures of ROI
3. Added value – economy, demographics, community, Big Data, coding, education and enhancing lives
 - Part A: Getting the basics right
 - Part B: Medium-longer term strategic business strategy and Plan

The Problem

- Hiatus
- Identity unclear
- Lack of business plan and forward strategy
- 'Core service' offer not established
- Governance needs re-purposing
- Not taking opportunities to integrate and share services
- Needs more strategic approach to finance/HR/leadership
- 3 different work programmes, cultures, partners and sets of priorities all in the mix

Core Service

- Not well defined
- Different for all three partners
- Not enough systems integration has occurred to realise significant efficiencies
- No common or shared platforms or systems

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- Different financial contributions
- Client-contractor split not enforced (by us)
- Investment is mainly in hardware

Governance

- SRS Public is supported by a MoU
- Board has tended to be more operational than strategic
- Worked for project management & well chaired
- But, each appointee represents their own organisation & single work programmes.
- This has often driven the lack of integration
- Some opportunities have been missed

Finance

- c£10m per annum budget
- Good budget management and monitoring, but
 - No comparable unit costs
 - Budgets go in at beginning of year
 - Not necessarily aligned with our core service needs
 - No business plan to guide or prioritise investment
 - ROI difficult to gauge at this time
 - Largest investments are in infrastructure

HR, Structure and Culture

- Torfaen TUPE – positive move
- Client-vendor split is different across partners
- Wider opportunities for economic development and community development not always taken
- Hasn't had the opportunity to build own culture
- SRS identity isn't clear enough
- Some good work has emerged around staff engagement

The Solution

- Originally - evolve to a Joint Committee with clear lines of accountability and autonomy. New entity will provide strong foundation for strategic approaches to financial and human resource planning and delivery. The JC will function in line with a 3 year business plan which is clear about activity, outcomes and Return on Investment.
- However not possible for Gwent Police to progress
- Instead – implement the governance changes and improvements to still deliver these same aims

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Supported by,

- Business-planning cycle
- A 'Profit & Loss' approach?
- Single scheme of delegation
- Strategic board – strategic decisions (political representation)
- Optimisation audit
- Develop shared systems
- Customer assurance models
- 'Intelligent clients'
- Shared purpose
- Opportunity radar
- Enterprise development & training

Business Case and ROI

- £10m annually could yield returns if more sharing/ integration
- Optimisation audit – vital
- Development opportunities & rolling out practices others have adopted
- Planning database example
- Police and self-service example
- IT has a big role to play in our wider service reinvention
- Creating products could also produce returns

What next

- Implement review findings through ongoing review group meetings and implementation reports to Board
- 3 work-streams continue
- Set out the vision, annual mission and delivery
- Clear outcome measures & ROI
- Market test process underway
- Commissioning documents to Board at end of month
- Shared planning system?
- Business strategy and plan needs work

During discussion following the presentation, we noted the following:

- The Chairman expressed that the Committee appreciated the presentation but for scrutiny purposes would benefit from a report in advance.
- A member raised a concern that there seemed to be a lack of information surrounding the strengths and weaknesses of SRS. Clarification was required regarding operational activities of SRS.

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- The Chief Officer, Enterprise expressed that as a directorate Enterprise had held responsibility for SRS for six months. The current review process should answer any questions.
- As a Scrutiny Committee, we would need a definite timeline for future reports.
- We must ensure that SRS fits the Authority's strategy for the future.
- The Committee needed a better level of communication
- The Chief Officer, Enterprise responded to Member concerns by highlighting that SRS was continuing to function and the aim was to move forward.
- Repeated concerns were raised that a report was not received by Members in advance of the meeting.
- A Member thanked the Officers for the presentation, but clarification was required whether SRS was meeting the expectations of the Authority.
- The Chief Operating Officer, SRS explained that update information was available if required.
- Officers confirmed that the review process had not concluded and regular attendance would be made at scrutiny committees. Key milestones for the review would be provided at a future meeting.
- It was suggested that a Member attend a public board meeting of SRS.
- Members requested clarity on the value for money received by the Authority.

The Chief Officer, Enterprise would issue a fact sheet outlining the key principles of SRS in order to update Members with the current review being undertaken.

The Chief Operating Officer confirmed that details could be provided to the Committee.

In summary the Chairman highlighted the following points:

- Transparency - being aware of the role of the SRS service.
- Impact - what would constituents say, are we getting value for money.
- Better level of communication needed.
- Marketing the identity of the service.

6. MONMOUTHSHIRE DRAFT BUSINESS GROWTH AND ENTERPRISE STRATEGY

We received a presentation by the Head of Commercial & People Development, Enterprise regarding the draft Monmouthshire Business Growth and Enterprise Strategy. The Committee were asked to approve the Strategy to allow engagement with the wider business community and partners, ahead of it being presented to Cabinet in November.

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The Strategy focuses on three strategic priorities:

- Supporting business growth

We were informed that supporting the development, growth and sustainability of Monmouthshire's businesses and enterprises would be key to creating a strong economy and maximising economic impact for the county. An existing challenge was said to be sustaining active businesses to enable them to increase their economic output by creating employment, also addressing issues such as access to networks, research and financial investment. Also, we were told of the need to attract new businesses and investments from outside the county.

- Encouraging inward investment

The Committee were told that new inward investment was needed to help Monmouthshire to increase the local economy and earnings. There would be a need to attract high growth businesses such as technology and knowledge based companies. In addition, maximise our economic impact to be able to offer suitable infrastructure and high speed access to digital utilities to enable businesses to develop.

- Growing Entrepreneurs.

We were informed of a need to create high quality, well paid employment which would give residents the means to stay in the county, which also presented an opportunity to raise awareness of entrepreneurial opportunities that existed. The awareness would need to be raised among those of workforce age, but also at an earlier stage as part of the school curriculum.

During discussion following the presentation, we noted the following points:

- The Chair expressed that the timelines set out in the presentation would be helpful to the Committee in terms of scrutiny.
- Funds would be sourced through the Rural Development Programme, as well as other areas. There would cases where funding would be requested through Cabinet.
- A Member raised a point that we should encourage large employers to the area, whether it be for manufacturing or technology.
- We were informed that we have achieved great success in Monmouth Business Awards, an ongoing event throughout the year, providing networking opportunities.
- We were told that we were looking to advance work relating to Business Hubs, looking to utilise accommodation held in the portfolio of the Authority. This would provide an area where businesses could provide support and cross mentor themselves.

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- The Head of Commercial & People Development, Enterprise would provide an update to Cabinet regarding the progress of broadband throughout the county.
- A Member made a suggestion of creating an Enterprise One Stop Shop for to provide people with a central place to obtain information.
- Members required thorough communication to enable promotion of the Strategy.

In summary the Chairman thanked The Head of Commercial & People Development, Enterprise for the presentation, and highlighted the following points:

- Looking to attract large employers – ensuring we have the necessary skills.
- Developing contacts with businesses.
- Development of an Enterprise One Stop Shop.
- Continuing to improve presence on the internet.
- Compete against neighbouring authorities to obtain new businesses.
- Need for effective communication with Committee.

7. REVENUE & CAPITAL BUDGET MONITORING 2014/15 MONTH 3 OUTTURN FORECAST STATEMENT

We received a report regarding the forecast outturn position of the Authority at the end of month 3 for the 2014/15 financial year. The Assistant Head of Finance outlined the new format and welcomed any feedback with regard to the layout of the report.

Having received the report, the following points were noted:

- Members welcomed the new reporting format and stated that the select Committee needed to be informed of the salient points. Therefore, it was suggested that future reports be kept on a high level to allow the Select Committee to investigate areas, such as, where targets were not being met and areas of overspending.
- Savings projections needed to be realistic in order to avoid historic over spends.
- Directorates needed to be stricter in adhering to budget deadlines.
- The Directorate has flexibility to make savings where required. Major areas to focus on were the implementation of the new staffing structure and proposals were being presented to Cabinet. Non- essential spending would also need to be monitored during the management of the budget.

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- The Directorate was currently bearing the full cost of the Tithe Barn. However, in future, costs should be borne by the Authority and its partners.
- Another financial impact on the Directorate has been the relocation of Children's Services into the Magor Offices. This had prevented space being rented to the private sector resulting in the loss of potential income.
- It would be beneficial if the next report had quarter 1 comparator data to identify the development at quarter 2.
- It was noted that the £94,000 was not achievable thus far. However, subject to the next stage of the new Directorate structure, which was to be considered by Cabinet on 15th October 2014, part year savings were anticipated. Over the next three quarters measures would be in place to pull back this deficit via a reduction in non-essential spending and good budget management.

We resolved to receive and welcome the report and look forward to receiving additional information on comparator data in future reports.

8. MONMOUTHSHIRE TOURISM PERFORMANCE 2013

County Councillor J. Prosser declared a personal, non-prejudicial interest in this item as he is a member of Abergavenny Town Council.

We considered the report regarding Monmouthshire Tourism Performance for 2013.

Members were informed that:

- According to STEAM 2012, tourism revenue fell 7% between 2012 and 2011. Tourist days were down 6% and tourist numbers down 4% on 2011 figures. This had resulted in a 5% drop in tourism related employment in Monmouthshire between 2012 and 2011.
- According to STEAM 2013, tourism revenue in Monmouthshire grew by 1% between 2012 and 2013.
- The overall trend between 2002 and 2013 has been positive with regard to economic impact.
- There had been good results for 2013 with regard to visitor satisfaction. Results had indicated that Monmouthshire was exceeding expectations.

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- Survey data had indicated that half of the people surveyed had considered that the scenery in Monmouthshire could not be improved upon, three quarters had visited Monmouthshire previously, those that had visited Monmouthshire in the previous three years had returned as day visitors and 94% of visitors had recommended Monmouthshire to other people.
- Monmouthshire's tourism performance for 2013 was better than rural Wales but not better than South East Wales.
- Tourist days – Monmouthshire was in line with rural Wales.
- Jobs – Monmouthshire was slightly below the rural average.
- Economic Impact performance – Monmouthshire was still performing badly in the touring caravan sector.

Having received the report, the following points were noted:

- Trends were indicating positive growth in tourism performance. However, it was noted that there was a need to increase the amount of service accommodation.
- The value of each stay visitor equated to £260. Day visitors equated to a figure approaching £30.
- The quickest way to grow would be to generate additional service accommodation and create demand for this.
- The Head of Leisure and Culture was developing an Events Strategy, details of which would be presented to the Select Committee in due course.
- There was a need to do more to promote cultural issues and to engage with the outward tourism market.
- 140 tourism ambassadors had been trained. 200 hundred would be trained in total. Tourism ambassadors were offering town tours of Monmouth. In future, it was anticipated that the tourism ambassadors would be located in Tourist Information Centres, in a voluntary role, in future.
- There was an opportunity to generate new income by improving how tourism assets were marketed.
- Over the next six months the next round of external funding will be reviewed.

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- The new 'Visit Monmouthshire' website was being developed. The intention being to promote a wide range of visitor experiences in the County by delivering information in a more personalised way. The public will be able to liaise with the tourism ambassadors via the website.
- A television has been installed in reception at County Hall, Usk, which was highlighting tourism in Monmouthshire.
- Core markets within two to three hours of Monmouthshire were being targeted.
- In response to a Member's question regarding RDP funding, it was noted that tourism was featuring heavily within the Local Development Strategy. With regard to the funding element, formal notification was anticipated via Welsh Government. It was anticipated that funding was likely to be reduced.
- The Local Development Strategy could be presented to the next Select Committee Meeting.

We resolved:

- (i) to receive the report and noted its content;
- (ii) that the Major Events Strategy be presented to the Economy and Development Select Committee meeting on 16th October 2014;
- (iii) that the Local Development Strategy be presented to the Economy and Development Select Committee meeting on 20th November 2014.

9. CARDIFF CAPITAL REGION BOARD

County Councillor P.A. Fox, attending the meeting as a representative of the Cardiff Capital Region Board, outlined the following points:

- The Board consisted of 10 local authorities across South East Wales, namely, The Vale of Glamorgan, Bridgend, Newport, Caerphilly, Rhondda Cynon Taff, Merthyr, Torfaen, Blaenau Gwent and Monmouthshire, representing 1.5million people. The Board was announced in November 2013.
- The City Region was a strong model for growing the economy.
- The Board consisted of a mixture of local authorities, the private sector and educational establishments with support from the Welsh Government.

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- The Leaders of Torfaen, Monmouthshire, Newport and Merthyr local authorities sat on the Board.
- Russell Goodway was one of two Vice Chairman of the Cardiff Capital Region Board, the other Vice Chairman of the Board was Vice Chancellor of Cardiff University, Colin Reardon.
- Invited by the Welsh Government Minister to sit on the Board to provide a view from local authorities.
- Other representatives on the Board – Chief Operating Officer, Admiral, The Wales Director of British Telecom, A representative from Acorn recruitment, Chair of PriceWaterhouseCoopers, the Vice Chancellor of the University of South Wales, the Chair of the Metropolitan University. The Board is chaired by the Executive of the Welsh Rugby Union.
- The Board receives support via seconded staff from Welsh Government, Cardiff Council and Cardiff University which were based in the university's Glamorgan building. Board meetings were being held around the region.
- The first meeting was held in December 2013 in which the terms of reference were established.
- The Board was an advisory group to the Welsh Government Minister Edwina Hart. However, governance arrangements potentially leading to more autonomy for the Board might mature in future.
- The role of the Board was to focus on the following three main areas:
 - To provide the leadership, vision and strategic direction for the Cardiff Capital Region Board.
 - Undertake the prioritisation of projects and demonstrate the potential to achieve transformational economic change across the region.
 - To engage with wider stakeholders to encourage and support a collaborative approach to make the City Region a success.
- Need transformational projects such as the Metro Project which was currently in its infancy.
- The Board needs to focus on a strategy of what it intends to do in the future. A Strategic Plan was being developed with a view to completion being achieved by the end of the year which will address the core themes which are: Innovation skills, Place, Branding, Communications and Connectivity.

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- Talks were being held with various bus providers with a view to using branding on local buses to get the message of the region across. Bus services would be a fundamental part of the Metro service.
- £77million was to be invested in the first phase of the Metro. The whole Metro package will be achieved over a number of years at a cost £2billion. Phase 1 will provide an extension to the rail line to Ebbw Vale, a new station at Pye Corner, a bus priority scheme along the A470 corridor and the introduction of park and ride schemes.
- Actions for the next six months:
 - Give consideration to enable the Metro to be approved and delivered.
 - Need a governance structure.
 - Look at a combined authority model to deliver on the Metro.
 - The Board recognised that a combined authority model made sense.
 - Opportunity to revitalise South East Wales.
 - Crucial for the region to have an integrated transport service.
 - Aspire to have four stops per hour.
- The City Region concept would benefit Monmouthshire by providing investment in the region.
- An Impact study undertaken had identified that £2billion investment over 10+ years would create 7,000 jobs in the region and generate a further £8billion into the economy.
- The Board meets monthly with its working groups meeting in between these meetings.
- The private sector was keen to move progress quickly with higher education representatives keen to improve the skills base of local people.

Having received the presentation, the following points were noted:

- In response to a Member's question regarding how the City Region will affect Monmouthshire and Individual Members' wards, it was noted that the Board was currently an advisory group to the Welsh Government Minister, Edwina Hart. However, the Board was evolving and all aspects of South East Wales were being involved.
- Progress was being made with the Welsh Local Government Agency being provided with more information.

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- The Board will be building bigger conduits to allow Members to feed information into the Board.
- The Board was looking to become more autonomous in time.
- The development work of the Strategic Plan will be completed by the end of 2014 with a view to it being presented to the Minister in the Spring of 2015.
- The Board would provide all Members with a seminar on progress in due course with representatives from the Board meeting with all of the 10 local authorities.

We resolved to receive the presentation and noted its content.

10. WORK PROGRAMME 2014/15

We received the Economy and Development Select Committee Work Programme for 2014/15. In doing so, the following points were noted:

- A report on the Major Events Strategy will be presented to the Select Committee on 16th October 2014.
- A report on the Local Development Strategy will be presented to the Select Committee on 20th November 2014.
- Invite a representative of the Cardiff Capital Region Board to attend a future meeting of the Select Committee in the Spring of 2015.

We resolved to receive the report and noted its content.

11. COUNCIL AND CABINET BUSINESS FORWARD PLAN

We resolved to receive the Council and Cabinet Business Forward Plan and noted its content.

12. DATE AND TIME OF NEXT MEETING

We noted that the next meeting of the Economy and Development Select Committee would be held on Thursday 16th October 2014 at 10.00am.

The meeting closed at 4.21pm

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