

**Minutes of the Economy and Development Select Committee
held at County Hall, Usk held on
Tuesday 21st April 2015 at 12.30 p.m.**

PRESENT: County Councillor S. Jones (Chair)

County Councillors: D.L. Edwards, A.C. Watts and D. Evans

County Councillor V. Smith attended the meeting by invitation of the Chair.

OFFICERS IN ATTENDANCE:

Mr. P. Davies	-	Head of Commercial & People Development
Ms. C. Fallon	-	Head of Economy and Enterprise
Ms. H. Ilett	-	Scrutiny Manager
Mr. R. Williams	-	Democratic Services Officer

ALSO IN ATTENDANCE

Mr. S. Ellis	-	SKUTRADE
Mrs. G. Ellis	-	SKUTRADE

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Councillors D.L.S Dovey, R.J.C. Hayward, J.L. Prosser, S. White and A.M. Wintle.

2. DECLARATIONS OF INTEREST

There were no declarations of interests made by Members.

3. MINUTES

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

- i. Ordinary Meeting 20th November 2014.
- ii. Special Meeting 24th February 2015.
- iii. Ordinary Meeting 5th March 2015.

4. PUBLIC OPEN FORUM

There were no members of the public present.

**Minutes of the Economy and Development Select Committee
held at County Hall, Usk held on
Tuesday 21st April 2015 at 12.30 p.m.**

5. SCRUTINY ITEMS

i) STRATEGIC REVIEW AND RE-PURPOSING OF CMC2

Context:

To consider the business case to re-purpose and re-name the Authority's wholly-owned Community Interest Company (CIC), CMC², and re-position it as a wholly external Enterprise-focussed vehicle. This will involve spinning-out the current internal economic development function – Monmouthshire Business and Enterprise' - into the CIC as a new Economic Growth company, aligning directly with the Council's priority around business growth and job creation.

Key issues:

- Following the CMC2 Board review & the end of Year 3 Business Plan phase, a decision has been taken to re-purpose the CIC to accommodate Monmouthshire Business Enterprise (MBE).
- MBE was entering an exciting phase following approval of the Business Growth & Enterprise Strategy, submission of the Local Development Strategy for the Rural Development Plan and external components of iCounty i.e. Superfast exploitation.
- This presents an opportunity to refresh the CIC to maximise economic growth potential for Monmouthshire.
- The Board review has concluded that the current focus on software development cannot support a sustainable future for the CIC.
- Work to date was small scale and exploratory.
- The opportunity to scale up was limited due to asset lock.
- Teckal constraints do not support commercial endeavours.

Member scrutiny:

- Members questioned the rationale for repurposing of the Company. They were advised that the Company had been refocussing over the previous 12 months. The Reading model was felt to be a good model to follow, but the right mix of employees and Board Members would be required in order to take the company forward. Members heard that a Chief Technology Officer had been brought in to focus on software development and that a report on this would be presented to Cabinet and brought for pre-decision scrutiny in July 2015 **(Action: Peter Davies)**.

**Minutes of the Economy and Development Select Committee
held at County Hall, Usk held on
Tuesday 21st April 2015 at 12.30 p.m.**

- Members questioned why the company would benefit from being a CIC and were advised that a CIC can access more funding and was felt to be the most suitable and appropriate model. Reference was made to the Wigan Model in which it would be more beneficial to have a stand-alone company rather than being under local authority control. Members were reassured that more frequent reports would be presented to the Economy and Development Select Committee in future regarding the company **(Action: Cath Fallon)**.
- Members queried the progress of the Business Growth and Enterprise strategy for the team and were advised that the strategy was approved in November 2014 and was now in place together with a comprehensive programme plan. Members commented that the Authority would need to be clear in terms of the anticipated outputs of the CIC and requested updates from the programme plan be brought to the committee in due course **(Action: Cath Fallon)**.
- Members questioned the future focus for the CIC and were advised that the focus would be to support businesses on a daily basis, attract inward investment, and to become involved in digital activities such as Super Connected Cities. Other avenues would be to support and encourage young entrepreneurs and to act as a vehicle to reflect the voice of rural areas within Monmouthshire – an example being the delivery of the Vale of Usk Rural Development Programme (RDP).
- Members recognised that the aspiration is for Monmouthshire to become a digital County by encouraging businesses to settle within the County and questioned whether opportunities for digital exploitation and raising awareness of opportunities within Abergavenny were being pursued. Members heard that the Monmouthshire Business and Enterprise team were still supporting the development of the Abergavenny Business Improvement District which would create further opportunities for other county towns if successful. Members were advised that Y Prentis currently provides construction apprenticeships with approximately 70 current apprenticeships, 20 beneficiaries have been Monmouthshire residents with further opportunities coming on line via the 21st Century Schools Programme.
- Members questioned the business acumen of the CIC's board and suggested a balance of expertise within the Board was required. Members were advised that this could be achieved by bringing together like minded individuals to create a collective insight. The Annual Business Summit which will be held in September 2015 was regarded to be a way of bringing like-minded business individuals together.
- Members queried the future direction for the business, given the progress of the Cardiff Capital Region and were advised that officers have been looking at ways to deliver the core service outlined in the business plan and also ways to generate income by charging for delivery of the service. Members were assured that the CIC would benefit Monmouthshire's businesses and communities.

**Minutes of the Economy and Development Select Committee
held at County Hall, Usk held on
Tuesday 21st April 2015 at 12.30 p.m.**

- Members questioned the impact of any Local Government Reorganisation (LGR) in the next five to eight years and were advised that if this were to take place, it would be at some point in the future and that at this present time, the re-purposing of CMC² to a CIC was the best option for Monmouthshire. However, it was recognised that the relationship between Monmouthshire County Council and Newport City Council were likely to strengthen in the coming years as collaborative work progresses.

Committee's Conclusion:

The Chair summed up the Select Committee's stance as follows:

- Agreement that given the discussion at the meeting, the repurposing of CMC² to a CIC was felt to be a logical and productive move in order to progress the company.
- Agreement that the report author provide the Committee with the Company's strategy and programme plan together with the report on software development as suggested in the recommendations.
- The Committee agreed in principle to accept the recommendations of the report, as follows:
 1. To consider this report and appended business case requesting the approval of the 'spin out' of the economic development team into the Council's CIC, re-establishing, re-purposing and re-branding it as an economic growth company and delivery vehicle for business and community enterprise development (Monmouthshire Business Enterprise) to maximise local community benefit.
 2. To agree that a composite report and business case be subsequently brought to the committee around the Authority's future approach to software and systems development, that includes consideration of the existing software development team within the CIC.
 3. For Select Committee to endorse this report, for further consideration and approval by Cabinet.

**Minutes of the Economy and Development Select Committee
held at County Hall, Usk held on
Tuesday 21st April 2015 at 12.30 p.m.**

**ii) SUPPORTING THE COMPETITIVENESS OF MONMOUTHSHIRE
BUSINESSES**

Context:

Members considered a report regarding assistance for Monmouthshire businesses to improve their competitiveness, online trade and export potential through access to an innovative real-time cloud-based software solution.

Key issues:

The Select Committee received a presentation by the Head of Commercial & People Development and from the representatives of SKUTRADE Limited.

The proposal presented to the Select Committee was considered to be unique in many ways, in that it had clear alignment with the Authority's commitment to business growth and ICT exploitation. It provides business support to SKUTRADE Limited to provide them the opportunity to maximise their own growth potential as well as providing specific business support to up to 500 Monmouthshire businesses that subscribe. SKUTRADE Limited advised they could help Monmouthshire businesses grow by highlighting new opportunities and the best routes to market products in any country.

Member Scrutiny:

- Members questioned how the product could benefit a retailer in Monmouthshire. SKUTRADE Limited advised that they could inform a retailer how to market its product by identifying where the retailer needed to be in order to be competitive in a quick and easy format.
- Members queried the potential rate for a Monmouthshire business and were informed that Monmouthshire businesses that sign up will receive the service at a reduced rate for the first two years in the sum of £10 per month rather than £33 per month and that many businesses across the County could benefit from this service.
- Members questioned the ease of use of the system and how 'up to date' the data could be at any given time. They heard that the system is easy to use with data being regularly kept up to date.
- Members requested clarification and an assurance that the Council's contribution of £50,000 pre-revenue funding to SKUTRADE Limited would be utilised solely to facilitate the level of support proposed to Monmouthshire businesses and were reassured that this was the proposal and that an advantageous rate was being offered to Monmouthshire on this basis.

**Minutes of the Economy and Development Select Committee
held at County Hall, Usk held on
Tuesday 21st April 2015 at 12.30 p.m.**

Committee's Conclusion:

The Chair summed up the Committee's stance as follows:

The Committee felt that this was a very exciting project and that SKUTRADE Ltd could assist local businesses in marketing their products and developing emerging markets. Members were highly optimistic that the project could generate real benefits for local businesses, however they sought an assurance that Monmouthshire would be offered an advantageous deal given the Council's financial commitment.

The Select Committee agreed to support the reports' recommendations as follows:

1. To approve a funding mechanism that would allow Monmouthshire businesses discounted access to an innovative software solution that supports growth in sales and profitability, together with dedicated support, training and advice.
2. Upon successful conclusion of all due diligence, legal and procurement matters that delegated authority is given to the Chief Officer, Enterprise and Head of Finance (S151 Officer) in conjunction with the Cabinet Member for Enterprise and the Cabinet Member for Resources to sign the Memorandum of Agreement and associated contract, and advance pre-revenue funding of £50,000 to SKUTRADE Limited.
3. That the £50,000 funding is secured from the Invest to Redesign Reserve, with funding being recouped back to the Authority over a five-year period through commissions generated from businesses subscribing to the platform.

6. WORK PROGRAMMING

i) SELECT COMMITTEE WORK PROGRAMME FOR 2015-2016

Meeting 4th June 2015

- Invite the Head of Planning to discuss issues following the Tourism Workshop.
- Nominate a representative from the Select Committee to sit on the Section 106 Working Group.

Meeting 23rd July 2015

- Section 106 Funding.

**Minutes of the Economy and Development Select Committee
held at County Hall, Usk held on
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ii) CABINET FORWARD WORK PLANNER

Members noted the Council and Cabinet Forward work planner. In doing so, we resolved that the Solar Farm Business Case, scheduled to be received by Full Council on 25th June 2015, should be presented for scrutiny to the Economy and Development Select Committee at the next meeting on 4th June 2015.

7. DATE AND TIME OF NEXT MEETING

Members noted the next Economy and Development Select Committee Meeting would be held on Thursday 4th June 2015 at 10.00am.

The meeting ended at 3.05 pm.