

# 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, 19th  
September, 2016 at 2.00 pm

**PRESENT:** County Councillor: S. Jones (Chair)

County Councillors: D. Blakebrough, D. Dovey, A. Easson, D. Evans,  
P. Farley, R. Harris, S. Howarth, P. Jones, M. Powell, J. Prosser and  
V. Smith.

M Fowler (Parent Governor Representative)  
K Plow (Association of School Governors)

County Councillors: P.A. Fox, E. Hackett Pain, P.A.D. Hobson,  
P. Murphy and B. Strong attended the meeting by invitation of the  
Chair.

## **OFFICERS IN ATTENDANCE:**

Kellie Beirne	Chief Officer, Enterprise
Cath Fallon	Head of Economy and Enterprise
Ian Saunders	Head of Tourism, Leisure and Culture
Marie Bartlett	Finance Manager
Tracey Thomas	Youth & Community Manager, Youth Service
Hazel Ilett	Scrutiny Manager
Richard Williams	Democratic Services Officer

## **ALSO IN ATTENDANCE:**

Olwen Dutton                                      Solicitor, Anthony Collins Solicitors

## **APOLOGIES:**

County Councillors R. Chapman, P. Clarke, R. Hayward, M. Hickman and P. Jordan

### **1. Election of Chair**

We elected County Councillor S. Jones as Chair.

### **2. Appointment of Vice-Chair**

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

### **3. Declarations of Interest**

County Councillor S. Howarth declared a personal, non-prejudicial interest pursuant to the Members' Code of Conduct as he is a member of reach.

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

##### Context:

To propose a new Delivery Option for the Leisure, Tourism, Culture and Youth Services following an independent options appraisal by Anthony Collins Solicitors and seek agreement on the next steps.

##### Key Issues:

With increasingly constrained resources the Council needs to identify and consider new ways of working and operating in order to 'maintain locally accessible services' as the demand for local services continues to grow. New options and operating models for service delivery are therefore required if the Authority is to become more effective and efficient. The Council's Tourism, Leisure, Culture, Outdoor Learning and Youth Service has a combined budget of £2.639m with approximately 441 staff. Although initially the services in scope included Community and Adult Education and Museums a deeper assessment of these services has concluded there is a significant amount of transformational work to be undertaken within the Council prior to their full consideration to include current service offer, premises, staffing ratios and funding. The list of services for this proposal therefore include: Leisure, Fitness and Outdoor Education; Youth services; Countryside services to include managing access to the countryside, visitor sites, biodiversity issues and outdoor learning and play; Tourism Marketing, Development, Visitor Information provision and Events; and Management and marketing of Monmouthshire's Visitor Attractions to include Caldicot Castle, Tintern Old Station and Shire Hall, Monmouth.

Over the last four years these Services have contributed over £1.65m of revenue savings to the Council and generated £17m of income. However, there are no more efficiencies to be made.

The Medium Term Financial Plan (MTFP) is currently showing a shortfall of 12% over the next four year period and if this was to be applied proportionally to all services would further increase the funding gap by 2020/21 to £542,000. In order to meet the budget targets, there would need to be a reduction in services for 2017/18 by 10% which rises to 20% in 2020/21.

The objectives of Anthony Collins, Solicitors, 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. An analysis of the options has resulted in four recommended Principle Delivery Options namely:

- Delivery Option One: Do Nothing.
- Delivery Option Two: Transform the Services 'in house'.

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- Delivery Option Three: Move the Services into an Alternative Delivery Model (ADM).
- Delivery Option Four: Outsource the services to a third party.

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 result of the appraisal and subsequent recommendation from Anthony Collins is Delivery Option Three, which is to establish a new Alternative Delivery Model (ADM) for the Tourism, Leisure, Culture and Youth Services based on the financial savings and income generation potential that this offers, as well as opportunity for the Council to still direct future Service delivery. This is based on the following observations:

- Delivery Options one and two to 'Do Nothing' or 'Transform in House' are not viable, as it will not allow the Council to meet its saving requirements. The Council would therefore need to either reallocate funds from other Services (putting extra pressure in other areas) or it would need to reduce service delivery to allow the savings to be met.
- Delivery Option four to 'Outsource to a third party' has some attractive qualities. However, the market is likely to present a solution that will take time to implement, may only cherry pick certain services and given future funding uncertainties, could be significantly inflexible.
- Delivery Option Three to 'Establish a New ADM presents a radically new way of working for the Council but one which has been tried and tested in other local authority areas. Whilst there are risks, the ADM does present the best opportunity to sustain and potentially improve services during this period of financial uncertainty.

Should the recommendation to establish an ADM be approved, then the next steps would be as follows:

- To establish a new ADM based on a flexible group structure.
- To agree the scope of the ADM and which services will be transferred at inception and those services which will be considered for future phases.

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- To continue the staff, community and service user consultation process.
- To agree to the internal recruitment of a shadow core staffing structure to take the ADM process forward and establish the ADM.
- To produce a draft business plan for the ADM for approval prior to establishment, which will establish any funding required to finance any supplementary work needed to finalise this piece of work.

In addition, at the point when the draft business plan for the ADM is presented for approval then some further key decisions will be required in relation to:

- The level of control required by the Council.
- The level of funding that will be required from the Council and the identification and availability of alternative funding.
- The organisational support for combining these Services.
- Whether assets are to be transferred or licensed to the ADM.

In agreeing to establish the proposed flexible group structure, the Council will also need to consider what type of companies will best serve its aims.

#### Member Scrutiny:

Having considered the report and the presentation provided, the following points were noted:

- It was anticipated that the alternative delivery model would be implemented in September 2017.
- In response to a question raised regarding governance, accountability and funding, it was noted that funding would be required to establish an Alternative Delivery Model (ADM). This would be well spent as it would be putting services in a better position. Accountability would be achieved by creating the right relationship between the Executive and the wider membership of the ADM. Members will be provided with opportunities to provide valid input into the establishment of the ADM.

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- Costs incurred will relate mainly to establishing the business case and were not anticipated to be extensive. The next two to three months will be mainly officers' time.
- An outline ADM report will be presented to Cabinet in due course. Preparation of the report will be an open, transparent and inclusive process with the scrutiny process playing a key role.
- Other local authorities are operating an Alternative Delivery Model which are successful. Monmouthshire County Council Officers have therefore met with their counterparts and have received advice and shared knowledge on this matter.
- In response to a question raised regarding the importance of maintaining a quality youth service, it was noted that a better youth service would be provided via an Alternative Delivery Model.
- Tight scrutiny of the Alternative Delivery Model would be required.
- Concern was expressed that the report did not contain enough detail to allow the Joint Select Committee to fully consider the proposals outlined in the report and therefore, whether such a new proposal would be the best way forward for the Authority.
- Select Committee Members were informed that in order to achieve the creation of an Alternative Delivery Model for a number of Council services, there was a process to follow which takes time to complete. Bringing staff on board and including them in the process was key to achieving a successful ADM.
- It was considered that local authorities in Wales, similar to Monmouthshire, that have established an ADM should be investigated to ascertain how successful they have been, i.e., comparable case studies were required.
- Officers informed the Select Committee that the establishment of an ADM would allow the services to be in charge of their own destiny.
- Under the new ADM, there are two options; either staff would continue to be employed by the Council and seconded to the company or they would be TUPE transferred across to the company with their terms and conditions protected.
- In response to a question raised regarding the outdoor education service, it was noted that schools alone will not be able to maintain this service. Therefore, the establishment of an ADM could create surplus revenue to be re-invested within the service to the benefit of Monmouthshire's schools.

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- Each of the four leisure centres within Monmouthshire costs in the region of £450,000 per annum. Under the new ADM, the aim would be to reduce this annual figure per leisure centre down to £0, or perhaps create a profit.
- An investment strategy was being investigated. Monmouthshire's leisure centres require re-design and investment for the future.
- Select Committee Members considered that the draft business plan needed to be presented to the Select Committee.
- It was suggested by one of the Select Committee Members that the running of the outdoor education service should be taken over by the private sector and that the County Council becomes a shareholder. Officers stated that the ADM provided a more joined up approach and that by keeping the services together, this would be more appropriate as some services were not income generating, whilst others were, or had the potential to generate income.

#### **Committee's Conclusion:**

We resolved that a letter be drafted by the Chair to the Cabinet outlining the following points:

The Joint Select Committee was concerned that the level of detail provided to them in seeking its agreement to proceed with the alternative service delivery model, (particularly in relation to likely costs in continuing to the next phase) did not assist it in reaching a decisive conclusion. However, Members supported the philosophy and agreed that the opportunities for an alternative service delivery model should be explored, subject to the Cabinet and officers giving consideration to the following:

- **Resources:** The Committee has reservations as to the resources required to progress the work further and the resources required to deliver the model itself. The Joint Select Committee requests that a financial breakdown be provided to Members to outline this detail.
- **Governance:** Members strongly agree that the governance and accountability framework needs to be determined at an early stage and recommend that officers explore a range of accountability structures / models for consideration by Members.
- **Managing public expectation:** Members agreed that the Council needs to give consideration as to how it can ensure that the public's needs are reflected in services delivered through an alternative service delivery model.

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- **Staffing:** The Committee is concerned that there will be implications for staff in any alternative arrangement and recommends that an analysis of the staffing options (secondment or TUPE) be fully explored for further Member consideration.
- **Scrutiny:** The Joint Select Committee requests that their proposals, together with the draft Business Case, be brought to a future meeting of the Joint Select Committee in due course, prior to being considered by full Council.

**The meeting ended at 4.30 pm**