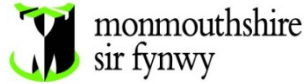


Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

County Hall
Rhadyr
Usk
NP15 1GA

Tuesday, 29 May 2018

Dear Councillor

CABINET

You are requested to attend a **Cabinet** meeting to be held at **Steve Greenslade Room, County Hall, Usk** on **Wednesday, 6th June, 2018, at 2.00 pm.**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. To consider the following reports (Copies attached):
 - i. **TWR MIHANGEL SECTION 106 FUNDING, LLANVIHANGEL CRUCORNEY** 1 - 12
Wards/Divisions Affected: Crucorney

Purpose: To seek member approval to utilise Section 106 off-site balances from the development at Twr Mihangel, Llanvihangel Crucorney and to include this funding in the capital budget for 2018/19.

Author: Mike Moran, Community Infrastructure Coordinator

Contact Details: mikemoran@monmouthshire.gov.uk
 - ii. **SECTION 106 OFFSITE PLAY CONTRIBUTIONS: Funding of Play Area Improvement Works** 13 - 24
Division/Wards Affected: Llanfoist and Abergavenny

Purpose: To seek member approval to utilise Section 106 off-site monies allocated for off-site play area improvements in the Abergavenny area.

Author: Nigel Leaworthy, Commercial and Operations Manager

Contact Details: nigelleaworthy@monmouthshire.gov.uk
 - iii. **LOCAL GOVERNMENT REFORM: GREEN PAPER CONSULTATION** 25 - 38

Division/Wards Affected: All

Purpose: To provide Cabinet with the opportunity to debate the Welsh Government's Green Paper "Strengthening Local Government: Delivering for People"

To seek views of Cabinet on a draft response to be submitted on behalf of the Council as there is no opportunity for a full council debate prior to the consultation closing on 12th June.

Author: Matthew Gatehouse, Head of Policy and Governance

Contact Details: matthewgatehouse@monmouthshire.gov.uk

iv. **TRANSFER OF THE ASSESSMENT FOR FREE SCHOOL MEALS TO SHARED BENEFIT SERVICE.** 39 - 52

Division/Wards Affected: All

Purpose: This report proposes the transfer for the assessment of free school meals (FSM) to the shared benefit service operated by Torfaen County Borough Council for a two-year trial.

Author: Nikki Wellington

Contact Details: Nicolawellington@monmouthshire.gov.uk

v. **CORPORATE PARENTING STRATEGY** 53 - 86

Division/Wards Affected: All

Purpose: This report seeks approval for the revised Corporate Parenting Strategy and Action Plan 2018 – 2021.

Author: Jane Rodgers, Head of Children's Services

Contact Details: janerodgers@monmouthshire.gov.uk

vi. **REVENUE & CAPITAL MONITORING 2017/18 OUTTURN STATEMENT** 87 - 132

Division/Wards Affected: All

Purpose: The purpose of this report is to provide Members with information on the revenue and capital outturn position of the Authority at the end of reporting period 3 which represents the financial outturn position for the 2017/18 financial year.

This report will also be considered by Select Committees as part of their responsibility to:

- assess whether effective budget monitoring is taking place,
- monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
- challenge the reasonableness of projected over or underspends, and monitor the achievement of predicted

efficiency gains or progress in relation to savings proposals.

Author: Mark Howcroft – Assistant Head of Finance
Dave Jarrett – Senior Accountant Business Support

Contact Details: markhowcroft@monmouthshire.gov.uk;
davejarrett@monmouthshire.gov.uk

vii. **WELSH CHURCH FUND WORKING GROUP**

133 -
144

Division/Wards Affected: All

Purpose: The purpose of this report is to make recommendations to Cabinet on the Schedule of Applications for the Welsh Church Fund Working Group meeting 1 of the 2018/19 financial year held on the 19th April 2018.

The scheduled meeting 2 was cancelled

Author: David Jarrett – Senior Accountant – Central Finance Business Support

Contact Details: davejarrett@monmouthshire.gov.uk

viii. **ALTERNATIVE DELIVERY MODEL - PROGRESSION**

145 -
304

Division/Wards Affected: All

Purpose: To set out progress to date on the establishment of the ADM for Tourism, Leisure, Culture and Youth services further to Cabinet approval on 29 January 2018 and to describe the process stages that require completion ahead of final Council approval, setting out the opportunities for informing, shaping and developing the arrangements and agreements – ahead of enactment of the model.

Author: Peter Davies, Chief Officer, Resources; Cath Fallon, Head of Enterprise and Community Development

Contact Details: peterdavies@monmouthshire.gov.uk;
cathfallon@monmouthshire.gov.uk

ix. **PARK STREET SCHOOL, ABERGAVENNY - PROPOSED LEASE**

305 -
336

Division/Wards Affected: Grofield, Abergavenny

Purpose: To consider the granting of a 25 year Lease to Abergavenny Community Trust (ACT) who deliver a community hub service from the former Park Street School.

Author: Nicola Howells – Estates Surveyor Monmouthshire County Council

Contact Details: nicolahowells@monmouthshire.gov.uk

4. KERBCRAFT UPDATE AND INDEPENDENT REPORT FEEDBACK

337 - 348

Wards/Divisions affected: All

Purpose: This report provides an update on the performance of the kerbcraft scheme as required in the action plan adopted by Council on the 20th March 2017. It also summarises the findings of an independent report commissioned into the findings of the WAO report into the kerbcraft scheme reported to Council on the 20th March 2017.

Author: Roger Hoggins, Head of Operations

Email: rogerhoggins@monmouthshire.gov.uk

Yours sincerely,

Paul Matthews
Chief Executive

CABINET PORTFOLIOS

County Councillor	Area of Responsibility	Partnership and External Working	Ward
P.A. Fox (Leader)	Whole Authority Strategy & Direction CCR Joint Cabinet & Regional Development; Organisation overview; Regional working; Government relations; Public Service Board; WLGA	WLGA Council WLGA Coordinating Board Public Service Board	Portskewett
R.J.W. Greenland (Deputy Leader)	Enterprise Land use planning; Economic development; Tourism; Development control; Building control; Housing & homeless; Leisure; Youth; Adult education; Outdoor education; Community Hubs; Cultural services	WLGA Council Capital Region Tourism	Devauden
P. Jordan	Governance Council & Executive decision support; Scrutiny; Regulatory Committee standards; Community governance; Member support; Elections; Democracy promotion & engagement; Law; Ethics & standards; Whole Authority performance; Whole Authority service planning & evaluation; Regulatory body liaison		Cantref
R. John	Children & Young People School standards; School improvement; School governance; EAS overview; Early years; Additional Learning Needs; Inclusion; Extended curriculum; Admissions; Catchment areas; Post 16 offer; Coleg Gwent liaison.	Joint Education Group (EAS) WJEC	Mitchel Troy
P. Jones	Social Care, Safeguarding & Health Children; Adult; Fostering & adoption; Youth offending service; Supporting people; Whole Authority safeguarding (children & adults); Disabilities; Mental Health; Health liaison.		Raglan
P. Murphy	Resources Finance; Information technology (SRS); Human Resources; Training; Health & Safety; Emergency planning; Procurement; Audit; land & buildings (inc. Estate, Cemeteries, Allotments, Farms); Property maintenance; Digital office; Commercial office	Prosiect Gwrydd Wales Purchasing Consortium	Caerwent

S.B. Jones	County Operations Highways maintenance, Transport, Traffic & Network Management, Fleet management; Waste including recycling, Public conveniences; Car parks; Parks & open spaces; Cleansing; Countryside; Landscapes & biodiversity; Flood Risk.	SEWTA Prosiect Gwyrdd	Goytre Fawr
S. Jones	Social Justice & Community Development Community engagement; Deprivation & Isolation; Community safety; Social cohesion; Poverty; Equalities; Diversity; Welsh language; Public relations; Trading standards; Environmental health; Licensing; Communications		Llanover

Aims and Values of Monmouthshire County Council

Our purpose

Building Sustainable and Resilient Communities

Objectives we are working towards

- Giving people the best possible start in life
- A thriving and connected county
- Maximise the Potential of the natural and built environment
- Lifelong well-being
- A future focused council

Our Values

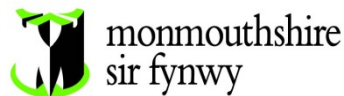
Openness. We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

Flexibility. We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Teamwork. We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

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SUBJECT:	TWR MIHANGEL SECTION 106 FUNDING, LLANVIHANGEL CRUCORNEY
MEETING:	CABINET
DATE TO BE CONSIDERED:	6th JUNE 2018
DIVISION/WARDS AFFECTED:	CRUCORNEY

1. PURPOSE

To seek member approval to utilise Section 106 off-site balances from the development at Twr Mihangel, Llanvihangel Crucorney and to include this funding in the capital budget for 2018/19.

2. RECOMMENDATIONS that:

- 2.1 a capital budget of £3,749 be created in 2018/19 to part fund the following project and that this is funded from a corresponding contribution from the Section 106 balances held by the County Council in respect of the development at Twr Mihangel, Llanvihangel Crucorney;
- 2.2 a grant in this amount is allocated to the Crucorney Community Council to improve and provide further equipment at the play area adjoining Pandy Village Hall;
- 2.3 the further contributions from this development be included in the capital budget as and when they are received without further reference back to Cabinet, to be used towards the play area project and/or to other recreational projects identified in the area of benefit.

3. KEY ISSUES

- 3.1 Planning permission was granted by the Brecon Beacons National Park back in 2012 for the development of nine houses at a site known as Twr Mihangel in Llanvihangel Crucorney. This is a small scale development in the grounds of an existing dwelling.
- 3.2 Because each dwelling is being developed individually, the Section 106 Agreement provides for four individual payments of £3,749 as and when each of the first four houses is occupied, followed by a payment of £18,745 on the occupation of the fifth house. Because the site lies within the National Park, the payments are made by the developer to the Brecon Beacons Park Authority and then transferred to the county council. The first payment was received in February this year.
- 3.3 These contributions are to be used towards the upgrading & maintenance of play and recreation facilities within the administrative area of Crucorney Community Council.
- 3.4 Other than the multi-use games area at the Llanvihangel Crucorney school site, the county council does not have any recreational assets in the area of benefit but, in close consultation with Crucorney Community Council, it has been determined that the main local priority is to expand and improve the children's fixed play provision located on an area of land adjacent to Pandy

Village Hall. The village hall is located close to the entrance of the Werngifford estate, which is the main concentration of housing in the local community.

- 3.5 Members may be aware that when the development was constructed back in the 1970s, no play provision was made and the developer did not bring the roads and open spaces on the estate up to an adoptable standard. Since then most of those issues have been resolved and there has been some limited play provision made on a small area of land next to the village hall on which there is also located a small bowling green.

4. OPTIONS APPRAISAL

There are no realistic options to consider in this case – the proposed use of this money emerged from consultations with Crucorney Community Council and the Brecon Beacons National Park Authority when the planning application was being processed.

5. EVALUATION CRITERIA

Please see evaluation criteria set out in **Appendix A**.

6. REASONS

- 6.1 To ensure that the funding received from the development can be spent in the current financial year;
- 6.2 To enable improvements to be made to the existing fixed play area, which will provide more and better play participation opportunities for local children.
- 6.3 To provide some flexibility in the use of the overall funding, once the play area has been upgraded to a satisfactory standard.

7. RESOURCE IMPLICATIONS

The S106 capital funding identified in this report has been received to improve play facilities in the local area, so the works proposed will not impact on existing capital or revenue budgets.

8. WELL BEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING & CORPORATE PARENTING)

See attached at **Appendix B**

9. CONSULTEES

Cabinet Members
Crucorney Community Council
Section 106 Working Group
Local Member
Leadership Team

10. BACKGROUND PAPERS:

Section 106 Agreement with Brecon Beacons National Park and two private individuals dated 25th March 2013

11. AUTHOR

Mike Moran, Community Infrastructure Coordinator
Tel: 07894 573834 Email: mikemor@monmouthshire.gov.uk

Report to Cabinet on 6th June 2018 – Twr Mihangel Section 106 Funding

Evaluation Criteria

Title of Report:	Twr Mihangel (Llanvihangel Crucorney) Section 106 Funding
Date decision was made:	6th June 2018
Report Author:	Mike Moran, Community Infrastructure Coordinator

What will happen as a result of this decision being approved by Cabinet or Council?

What is the desired outcome of the decision?
What effect will the decision have on the public/officers?

An improved accessible play area is provided on land adjacent to Pandy Village Hall
The play area has a high level of play value when measured against existing guidelines

NOTE – the provision and ongoing management/maintenance will be the responsibility of the Crucorney Community Council
2 year appraisal (the project will be carried out over a period of a few years, as and when the funding is received in periodic instalments)

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?

Think about what you will use to assess whether the decision has had a positive or negative effect:
 Has there been an increase/decrease in the number of users
 Has the level of service to the customer changed and how will you know
 If decision is to restructure departments, has there been any effect on the team (e.g. increase in sick leave)

The play area has been assessed for its play value, measured against the appropriate standards
Positive feedback is received from children & families that use the play area
The condition and safety of the play receives regular on-site inspections for safety and compliance with appropriate standards
Direct feedback will be obtained from the families and children that use the play area

2 year appraisal

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

Give an overview of the planned costs associated with the project, which should already be included in the report, so that once the evaluation is completed there is a quick overview of whether it was delivered on budget or if the desired level of savings was achieved.

The total budget cost is indeterminate at this stage, as this depends upon funding availability and further planned improvements.

The initial amount of S106 funding is £3,749 – the total amount of funding throughout the duration of the project is £33,741



Name of the Officer: Mike Moran Phone no: 07894 573834 E-mail: mikemoran@monmouthshire.gov.uk	Decision on inclusion of funding in 2018/19 capital budget Decision on allocation of funding from S106 balances
Name of Service: Enterprise	Date completed: 18th May 2018

NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc



4 Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.




Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Positive - the project will be funded from S106 balances provided by developer of residential housing in Llanvihangel Crucorney, so there is no call on the Council's core capital budget. A skilled and experienced workforce will undertake the installation works	The staff that install the play area meet the installation standards/criteria of the play equipment manufacturers.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Positive – the location is close to other community and recreation facilities, the project will involve landscape improvements and making the most of the natural environment	The Council will seek to use natural materials in the design and layout whilst ensuring that adequate safety measures are built in to the finished play area.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Positive - the proposal in this report involves improving peoples' physical and mental well being. The rights of children to play are enshrined in legislation – these are acknowledged and the benefits of children's play are supported by the Council. The play area will help to provide a focal point for a number of family orientated activities.</p>	<p>Limited landscape alterations are proposed to accommodate the new items of play equipment.</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The proposal will contribute to the safety and cohesiveness of the local community in which it is located.</p>	
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>For many years there was no fixed play provision in the village, which meant that families had to transport their children to other parks in Abergavenny and in other locations. With the expansion of the relatively new play area, this will reduce the number of car-borne journeys necessary and, as such, it will lead to a reduction in harmful nitrogen dioxide emissions</p>	
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>There are no specific proposals in this report to promote and protect the Welsh language but the play area improvements will encourage more participation in outdoor recreational activities.</p>	<p>Encourage the use of the Welsh language in on-site signage – a bilingual noticeboard would promote the Welsh language and encourage Welsh language speakers to use the site.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>The improvements to the play area will encourage improved access for and participation by disabled people and people with other support needs – also by all sections of the community regardless of background or ability</p>	<p>Consultation with the local residents and families will ensure that the new provision meets the needs of people living in the local area.</p>

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
<p> Balancing short term need with long term and planning for the future</p> <p>Long Term</p>	<p>Funding is in place to ensure that the play area proposals can be achieved. The sustainability of the project has been assessed and officers are confident that a play area in this location will be sustainable in the longer term.</p>	<p>Funding is proposed from existing S106 balances to cover the cost of the works proposed.</p>
<p> Working together with other partners to deliver objectives</p> <p>Collaboration</p>	<p>The project involves working closely with other parties to deliver a more exciting play offer and to ensure better access for children with disabilities and support needs.</p>	<p>The existing site consists of a limited amount of play equipment – the proposal is to provide a range of modern and exciting equipment with much greater play value.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Involving those with an interest and seeking their views</p> <p>Involvement</p>	<p>The views of Cabinet members, the local county council member and members of the community council and the wider public have been sought.</p>	
 <p>Putting resources into preventing problems occurring or getting worse</p> <p>Prevention</p>	<p>The project involves the enhancement of facilities, as per the intention of the Section 106 Agreement from where the funding has arisen. Problem prevention is not the basis upon which the funding has been given but investing in the improvement of existing facilities will help to prevent problems occurring.</p>	
 <p>Considering impact on all wellbeing goals together and on other bodies</p> <p>Integration</p>	<p>The project will have a positive impact on the health & well being of people living in the area of benefit stipulated in the Section 106 Agreements.</p> <p>In particular children of primary school age will benefit from improved fixed play provision on the play area.</p>	

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link:

<http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or alanburkitt@monmouthshire.gov.uk

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	No employment/training issues identified The recommendation will benefit children/young people and their families living in the local community.		Continue to consider the needs of people with protected characteristics when formulating proposals.
Disability	The improvements proposed to the play area will be designed to be accessible to people with disabilities/mobility issues		
Gender reassignment	Neutral		
Marriage or civil partnership	Neutral		
Pregnancy or maternity	The site will be designed for ease of access for pushchairs and wheelchairs		
Race	Neutral		
Religion or Belief	Neutral		
Sex	The project that is the subject of this report is of equal benefit to both males and females		
Sexual Orientation	Neutral		
Welsh Language	Neutral	Although the recommendation is considered to be neutral it does nothing specifically to promote the use of the Welsh language	It may be possible in the future to encourage applications that actively promote the Welsh language

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities?

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Positive: the proposal is to increase local play provision in a prominent location next to the village hall.		
Corporate Parenting	Neutral		

5. What evidence and data has informed the development of your proposal?

- Local population figures taken from the 2011 Census data, updated
- Information submitted by members of Crucorney Community Council

Page 10

SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

Positive Impacts

- The proposal complies with the statutory tests relating to Section 106 funding
- The scheme will have a positive impact upon the health and well being of local residents
- Some people with protected characteristics will benefit from the play area improvement project

Negative Impacts

- It is difficult to demonstrate that the project will have a meaningful benefit for promoting the Welsh language

The above impacts have not materially changed the recommendations contained in the report.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
Work with the community council to create an innovative local equipped area for play.	Following the decision of Cabinet and periodically over the next 2-3 years	Mike Moran, Community Infrastructure Coordinator	To be reported

8. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated in: April 2020	To be reviewed by the Crucorney Community Council
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9. VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	S106 funding (first instalment) received	February 2018	
2	Consultation with Crucorney Community Council	March/April 2018	Agreement reached locally on use of funding
3	Community Council consultation on draft report	May 2018	Report amended following receipt of community council views
4	Consultation with Cabinet and Senior Leadership	May 2018	No amendments made at this stage
5	MCC Cabinet Meeting	6 th June 2018	Decision sought on allocation of funding to the play area project and on the inclusion of funding in the 2018/19 capital budget

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SUBJECT:	SECTION 106 OFFSITE PLAY CONTRIBUTIONS Funding of Play Area Improvement Works
MEETING:	CABINET
DATE TO BE CONSIDERED:	6th JUNE 2018
DIVISION/WARDS AFFECTED:	LLANFOIST AND ABERGAVENNY

1. PURPOSE

To seek member approval to utilise Section 106 off-site monies allocated for off-site play area improvements in the Abergavenny area.

2. RECOMMENDATION

That a capital budget of £35,000 be created in 2018/19 to carry out upgrading and improvement works to play areas in Llanfoist and Abergavenny and that this is funded from a corresponding contribution from the Section 106 balances held by the County Council in respect of the Gavenny Gate development (Finance Code N581).

3. KEY ISSUES

- 3.1 Following inspections of some of the play areas in the Llanfoist and Abergavenny area, it has been established that a number of these areas are in need of significant improvement and upgrading to ensure that they continue to offer a safe play environment for local children.
- 3.2 Works are required to the following play areas and approval of the funding is required so that the works can be implemented in the current financial year.
 - School Lane (off Gypsy Lane), Llanfoist
 - Union Road, Abergavenny
 - Bailey Park, Abergavenny
- 3.3 If works to the above sites are not addressed quickly then the condition of the play equipment and the general safety environment will get worse and will involve greater expense to the Authority in the longer term.
- 3.4 With regard to safety surfacing on play areas, artificial turf is now the standard surfacing material used by the Council at its sites. This is also now specified as the standard for developers when they provide play areas as part of new housing developments in the county.
- 3.4 Many of the older play areas in the county were developed with the use of wet pour (rubberised tarmac) surfacing, which at the time was considered to be acceptable. However, experience over the years has shown that wet pour safety surfacing is adversely affected by weather, is more susceptible to vandalism and it deteriorates more quickly than artificial turf so this creates trip points and an uneven surface.

3.5 In terms of funding, the Council has received an off-site play contribution of £35,000 from the Gavenny Gate development and it is proposed to utilise this funding to carry out the works to the play areas concerned.

4. OPTIONS APPRAISAL

Unless these play areas are improved and maintained to an acceptable standard, then their condition will deteriorate and there is no alternative funding available in existing budgets to carry out works of this nature.

5. EVALUATION CRITERIA

Please see evaluation criteria set out in **Appendix A**.

6. REASONS

To ensure that the play areas in question are improved and then maintained to a good standard by utilising some contributions received by the Council from developers via this Section 106 Agreement. This will provide much needed play participation opportunities for local young children.

7. RESOURCE IMPLICATIONS

The S106 capital funding identified in this report has been received to improve play facilities in the local area, so the works proposed will not impact on existing capital or revenue budgets.

8. WELL BEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING & CORPORATE PARENTING)

See attached at **Appendix D**

9. CONSULTEES

Cabinet Members
Section 106 Working Group
Local Members
Leadership Team

10. BACKGROUND PAPERS:

Section 106 Agreement with Johnsey Estates dated 23rd May 2013
Deed of Variation with Barratt Homes dated 28th March 2014

11. AUTHOR

Nigel Leaworthy, Commercial and Operations Manager
Tel: 01633 644432 **Email:** nigelleaworthy@monmouthshire.gov.uk

Report to Cabinet on 6th June 2018 – Section 106 Offsite Play Contributions

Evaluation Criteria

Title of Report:	Section 106 Offsite Play Contributions
Date decision was made:	6th June 2018
Report Author:	Nigel Leaworthy, Commercial and Operations Manager

What will happen as a result of this decision being approved by Cabinet or Council?

What is the desired outcome of the decision?
 What effect will the decision have on the public/officers?

Improved, safe and accessible play areas are provided in the area of benefit
 The play areas have a high level of play value when measured against existing guidelines and provide a better play experience for the public
 The areas are easier for officers to maintain
Ongoing Appraisal (the play areas are inspected by officers on a weekly basis and on an annual basis by the Council's insurers)

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?

Think about what you will use to assess whether the decision has had a positive or negative effect:
 Has there been an increase/decrease in the number of users
 Has the level of service to the customer changed and how will you know
 If decision is to restructure departments, has there been any effect on the team (e.g. increase in sick leave)

The play areas have been assessed for their play value, measured against the appropriate standards
 Positive feedback is received from children & families that use the play areas
 The condition and safety of the play areas receive regular on-site inspections for safety and compliance with appropriate standards
 Direct feedback will be obtained from the families and children that use the play area
2 year appraisal

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

Give an overview of the planned costs associated with the project, which should already be included in the report, so that once the evaluation is completed there is a quick overview of whether it was delivered on budget or if the desired level of savings was achieved.

The total budget available is £35,000 – this will be used to carry out improvements to the three areas identified in the report



Name of the Officer: Mike Moran Phone no: 07894 573834 E-mail: mikemoran@monmouthshire.gov.uk	Decision on inclusion of funding in 2018/19 capital budget Decision on the use of funding from S106 balances
Name of Service: Enterprise	Date completed: 18th May 2018

NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc

4 Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.



Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Positive - the proposed improvements will be funded from S106 balances provided by developers of residential housing in the local area, so there is no call on the Council's core capital budget. A skilled and experienced workforce will undertake the installation works	The staff that carry out the play area improvements meet the installation standards/criteria of all the major play equipment manufacturers.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Positive – the location of the play areas are already established, so the improvements relate to existing community and recreation facilities.	The Council will seek to use natural materials in upgrading the sites, whilst ensuring that adequate safety measures are in place.




<p align="center">Well Being Goal</p>	<p align="center">Does the proposal contribute to this goal? Describe the positive and negative impacts.</p>	<p align="center">What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</p>
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Positive - the proposal in this report involves improving peoples' physical and mental well being. The rights of children to play are enshrined in legislation – these are acknowledged and the benefits of children's play are supported by the Council. The play areas involved provide a focal point for family orientated activities.</p>	<p>Limited landscape alterations are proposed to accommodate the new items of play equipment.</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The proposals will contribute to the safety and cohesiveness of the local communities in which they are located.</p>	
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The three play areas are essentially local facilities for play serving particular communities (with the possible exception of Bailey Park which draws users from a much wider area). Each play area makes a positive contribution to the social and environmental well being of the areas concerned.</p>	
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>There are no specific proposals in this report to promote and protect the Welsh language but the play area improvements will encourage more participation in outdoor recreational activities.</p>	<p>Encourage the use of the Welsh language in on-site signage – a bilingual noticeboard would promote the Welsh language and encourage Welsh language speakers to use the site.</p>

2018

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>The improvements to the play areas will encourage improved access for and participation by disabled people and people with other support needs – also by all sections of the community regardless of background or ability</p>	<p>Consultation with the local residents and families will ensure that the new provision meets the needs of people living in the local area.</p>

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Funding is in place to ensure that the play area improvement proposals can be achieved. The sustainability of the project has been assessed and officers are confident that play areas in these locations are sustainable in the longer term, but there will always be a call for more funding to carry out improvements.</p>	<p>Funding is proposed from existing S106 balances to cover the cost of the works proposed.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The project involves carrying out identified improvements to deliver a more exciting play offer, a safer play environment and to ensure better access for children with disabilities and support needs.</p>	<p>Yes, there will be access improvements carried out on at least two of the sites concerned.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The views of Cabinet members, and the senior leadership team have been sought.</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The project involves the enhancement of facilities, as per the intention of the Section 106 Agreement from where the funding has arisen. Problem prevention is not the basis upon which the funding has been given but investing in the improvement of existing facilities will help to prevent problems occurring.</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The project will have a positive impact on the health & well being of people living in the area of benefit stipulated in the Section 106 Agreement.</p> <p>In particular children of primary school age will benefit from improved provision on the fixed play areas concerned.</p>	

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link:

<http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or alanburkitt@monmouthshire.gov.uk

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	No employment/training issues identified The recommendation will benefit children/young people and their families living in the local community.		Continue to consider the needs of people with protected characteristics when formulating proposals.
Disability	The improvements proposed to the play areas involved will be designed to be accessible to people with disabilities and/or mobility issues		
Gender reassignment	Neutral		
Marriage or civil partnership	Neutral		
Pregnancy or maternity	The sites will be assessed and where possible upgraded for ease of access for pushchairs and wheelchairs		
Race	Neutral		
Religion or Belief	Neutral		
Sex	The proposals outlined in this report are of equal benefit to both males and females		
Sexual Orientation	Neutral		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Welsh Language	Neutral	Although the recommendation is considered to be neutral it does nothing specifically to promote the use of the Welsh language	It may be possible in the future to encourage applications that actively promote the Welsh language

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities?

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	The proposal is to improve provision on three well established fixed play areas		
Corporate Parenting	Neutral		

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5. What evidence and data has informed the development of your proposal?

- Local population figures taken from the 2011 Census data, updated
- MCC inspection records of fixed play areas in the locality

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

Positive Impacts

- The proposal complies with the statutory tests relating to Section 106 funding
- The scheme will have a positive impact upon the health and well being of local residents
- Some people with protected characteristics will benefit from the play area improvement project

Negative Impacts

- It is difficult to demonstrate that the project will have a meaningful benefit for promoting the Welsh language

The above impacts have not materially changed the recommendations contained in the report.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
Carry out improvements to the three play areas concerned	As soon as the work can be scheduled	Nigel Leaworthy, Commercial and Operations Manager	To be reported

8. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

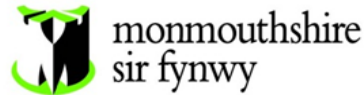
The impacts of this proposal will be evaluated in: April 2020	To be reviewed by the Landscape Unit and by the Council's insurers
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9. VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	S106 funding - payment received	30 th June 2017	
2	Assessment of sites for improvements	ongoing	Agreement reached on proposed use of funding
3	Consultation with Cabinet and Senior Leadership	May 2018	No amendments made at this stage
4	MCC Cabinet Meeting	6 th June 2018	Decision sought on the inclusion of funding in the 2018/19 capital budget

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SUBJECT: Local Government Reform: Green Paper Consultation

MEETING: Cabinet

DATE: 6th June 2018

DIVISIONS/WARDS AFFECTED: All

1 PURPOSE

- 1.1 To provide Cabinet with the opportunity to debate the Welsh Government's Green Paper "Strengthening Local Government: Delivering for People"
- 1.2 To seek views of Cabinet on a draft response to be submitted on behalf of the Council as there is no opportunity for a full council debate prior to the consultation closing on 12th June.

2. RECOMMENDATIONS

- 2.1 To consider the draft response, attached as appendix one, and suggest additions or deletions where consensus can be reached.
- 2.2 Subject to amendments agreed during the meeting, to endorse a draft response to the consultation be submitted on behalf of the council by the deadline.

3. KEY ISSUES

- 3.1 The Welsh Government published the 'Delivering for People: Strengthening Local Government' Green Paper on 20th March 2018. The consultation closes on 12th June.
- 3.2 This is the latest in a series of papers on local government reform that have been developed. The Welsh Government has actively explored different variants of local government reform since 2004. Successive positions have been predicated on the proposition that the structure of local government in Wales is not sustainable.
- 3.3 A merger programme was rejected by the Welsh Government following the 2016 Assembly elections and there then followed an assurance that there would no structural change for a decade while councils pursued a regional approach perhaps best encapsulated by the ten council Cardiff Capital Region City Deal.
- 3.4 The leader responded to a question on this issue at Council in April. With no time for a full Council debate it was subsequently suggested, and agreed with the chair, that Democratic Services Committee host a debate on the issue to which all members

would be invited. As that meeting takes place two days before Cabinet the draft response appended to this report does not reflect changes agreed by the Committee

- 3.5 The Green Paper calls for stronger, larger, more powerful local authorities and proposes merging the current 22 local authorities into 10 new authorities. This would see Monmouthshire merge with Torfaen and Blaenau Gwent. The paper proposed three options based on this footprint. These are:
- Option 1 - Voluntary mergers
 - Option 2 – A phased approach with early adopters merging first followed by other authorities by 2026
 - Option 3 – A single comprehensive merger programme by 2022.
- 3.6 The options are broadly a return to the Welsh Government’s proposals from 2015-16 and a change in direction to the regional agenda which had been put forward by the previous Cabinet Secretary. These were widely supported being progressed by Monmouthshire along with other councils.
- 3.7 The Cabinet Secretary for Local Government outlined his proposed reforms at the WLGA Council in March. At that time leaders overwhelmingly rejected the approach to mergers and questioned the rationale for reform which was identified in lacking in evidence and costings.
- 3.8 A draft response is appended to this report. The response is subject to amendment after Democratic Services Committee on 4th June with an updated copy being circulated to Cabinet as soon as possible after that meeting. It does not follow or respond to every question posed within the consultation. It is proposed that only those points on which there is clear agreement amongst members be included within the council’s response. Individual members or groups who wish to put forward additional detail may do so within individual or group responses to the consultation. A full list of consultation questions posed by Welsh Government is included as appendix 2.

4. OPTIONS APPRAISAL

An options appraisal was not necessary for this item.

5. EVALUATION CRITERIA

- 5.1 The response to the green paper will not be subject to an evaluation as it is not making a direct change to policy of service delivery

6. REASONS

- 6.1 To ensure that the voice of Monmouthshire’s elected councillors is heard within the debate on local government reform.

7. RESOURCE IMPLICATIONS

- 7.1 None at this stage

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING)

8.1 This report does not propose any change in policy or service and so no assessment has been completed.

9. CONSULTEES

There has been no formal consultation on this report. All members have been invited to Democratic Services Committee to debate the response and an invitation has been sent to leaders of political groups to provide any views to inform the emerging draft.

10. BACKGROUND PAPERS

Green Paper - Strengthening Local Government: Delivering for People
<https://beta.gov.wales/sites/default/files/consultations/2018-03/180320-strengthening-local-government-consultation-v1.pdf>

10. AUTHOR

Matthew Gatehouse, Head of Policy and Governance
01633 644397 / 0778 555 6727
matthewgatehouse@monmouthshire.gov.uk

Our Response

We have chosen not to respond to your specific questions. We have determined the areas in the Green Paper that we believe require our input and have included reference to paragraph numbering where appropriate.

The Case for Change (Chapter 2)

There has been much that is positive the papers that have been put forward by Welsh Government over the future of local government in recent years. We welcome the Cabinet Secretary's call for more powers and greater flexibilities for local authorities. However the Green Paper lacks sufficient detail on what these might be.

Pursuing mergers now would create new organisations setting back the progress that has been made on regionalisation where we have been making great strides. At the forefront of our concern is moving forwards with the Cardiff Capital Region City Deal. There is no guarantee that the new organisations would sign up for the deal which would jeopardise up to £4B in investment and the significant progress that is being made such as the investment in an industry-leading compound semi-conductor foundry in Newport.

Options for Strengthening Local Government (Chapter 3)

There seems to be a pre-occupation with putting the debate about form before function. Re-organising existing service models into new boundaries will not bring about the sorts of reform that will solve the complex societal challenges that councils in Wales are grappling with.

In 2016 the Welsh Government assured councils that there would no structural change for a decade. Less than two years on we have returned to the same debate.

Monmouthshire is proof that smaller authorities can deliver and can do well, creating a culture and operating model which encourages innovation and efficiency while continuing to deliver quality services.

We cannot solve these problems with yesterday's thinking. Bigger is not always better, we need new ways of meeting needs, creating public value and delivering better outcomes for local people. Delivering the exactly the same service models on different footprint will not deliver this. There will be some minimal economies of scale but these will be set against significant financial and non-financial costs of mergers. Paramount is the opportunity cost of inactivity in the years' leading-up-to mergers. We need public servants focused on meeting needs and making great leaps forward rather than spending hours seeking marginal efficiency gains.

There is insufficient detail on the arrangements for transition, council tax harmonisation, pensions and how potential redundancy costs could be met.

The foreword to the Green Paper argues that more money would not solve the problem and yet seems focused on financial gains as a result of economies of scale rather than addressing bigger questions about the purpose of local government, the need for innovation, opportunities for prevention and the allocation of resources to different parts of the public sector.

Finding agreement for a future footprint for local government (Chapter 4)

There is little evidence put forward that these proposals would deliver better outcomes or lower cost services than the current configurations. Indeed The Williams Commission Report in 2013 recognised that, based on academic research, there was no discernible relationship between scale and performance anywhere in the world. Subsequent evidence has confirmed this conclusion.

We believe that the Green Paper does not bring forward any new evidence to suggest that larger councils would deliver better services. The case for reform is not sufficiently clear to justify the costs and risks associated with pursuing a programme of mergers.

We believe that service provision in Wales should be based on the principle that decisions must be taken as closely as possible to the citizen and welcome the commitment to empower local government and to champion local accountability and local democracy. However the Green Paper is largely silent about the functions and powers that would be transferring to councils.

If we were to follow a path of voluntary mergers the potential partners for any such agreement should be a matter for local democratic discretion and negotiation rather than in accordance with a pre-determined option.

We are required to set balanced budget and have continued to do so against a backdrop of budgets real terms funding reductions. We are the lowest funded council in Wales and have achieved this by being innovative and efficient, looking to prevent problems arising rather than solving them when things go wrong, developing collaborative ventures, by working closely with local people and by focusing on the things that matter most to communities and by transforming services rather than closing them.

The debate should not be about the shape of lines on a map, it should be about the shape of services, how councils should be resourced and what powers they should exercise. We recognise that this is a challenging time for local government. We are up for that challenge providing we are given the space, flexibilities and powers to work with local communities and partners from all sectors on our own terms to tackle it head on.

A clear and democratically-led process (Chapter 5)

The numbers of councillors and areas represented will need to change as a result of these proposals. The number of electoral divisions would also vary. These issues would need to be factored in to any transition arrangements, with the work and timescales of the Local Democracy and Boundary Commission for Wales being a key consideration. The early mergers date could make this very difficult to achieve.

We would want to be involved in this discussion to ensure that issues of rurality etc. are appropriately considered when determining ward boundaries and constituent / councillor ratios.

We do not have any evidence on costs, benefits and savings of each of the options described by Welsh Government and would expect this to have been produced by Welsh Government itself prior to the Green Paper being published.

We are concerned about the implications of council tax harmonisation. Monmouthshire residents pay considerably lower council tax than one of the authorities we are proposed to merge with and the Green Paper on not sufficient clear on the implications of this for organisations or residents.

Strengthening local government and support through the process of change (Chapter 6)

We welcome the positive comments about the role of elected members in chapter 6. Elected members work hard for their community and under incredible pressure to balance their role with careers and the other responsibilities they have such as parents and carers.

The elected members and paid officers of Monmouthshire County Council will always be passionate about our county. We identify with this place and we serve its people and communities with pride and integrity.

We aspire to deliver the strategic direction set by Welsh Government where this is set legitimately, alongside meeting the needs of the local people who elected us. We recognise the role of Welsh Government but do not see ourselves as subservient to it. Councils are democratically elected bodies responsible to local people at the ballot box and thought the ward role of councillors.

We would welcome sight of any proposals to help councils make more effective use of their elected members' knowledge of, and connections in, their communities. This could include the development of digital tools to help members gather and process the wide range of statistical and qualitative evidence about their wards and to gather ideas from their local communities.

Conclusion

The Green Paper is silent on the core issues which are at the heart of the debate. When developing solutions we must understand the problem we are trying to solve. In this case the problem is not clearly understood. Whether or not 22 councils is the system that would be designed now is not the right starting point. We need to understand what it is that we want local government to achieve, how we want to work with communities and local people, the conditions needed for this to happen and the outcomes we expect. It is only when we understand these that we should consider pursuing the costly and distracting task of merging local authorities.

Full List of Welsh Government Consultation Questions

Chapter 3
<u>Consultation Question 1</u> In Chapter 2, we restated our commitment to regional working in key areas but recognised the need for this to be supported by further change. In chapter 3, we set out the broad options for moving toward fewer, larger local authorities and summarise features of the process which would be common to each option.
a) What practical steps could the Welsh Government take to make current regional working easier and more effective, for example in relation to education consortia, social services and the City Regions and City and Growth Deals?
b) What are your views on the common elements to the process of mergers we outline in this section?
c) What are your views on the options for creating fewer, larger authorities which we have set out?
d) Are there other options for creating fewer, larger authorities we should consider?
e) Do you have evidence on costs, benefits and savings of each option which can inform decision-making? If so, please provide details.

Chapter 4
<u>Consultation Question 2</u> Chapter 4 has explained the need for clarity on the future footprint for local government and the range of factors which should be taken into account to determine a new

configuration. It sets out a suggested future footprint for local government, which could be reached via each of the options set out in the previous chapter.

a) Do you agree that providing clarity on the future footprint of local government is important?

Yes. In 2016 Welsh Government assured councils that there would no structural change for a decade. Less than two years on we have returned to the same debate.

b) Do you agree with the factors we have identified to inform our thinking? Would you change or add any?

c) What are your views on the new areas suggested in this section?

d) Do you have alternative suggestions and, if so, what is the evidence to support these as an alternative?

e) In the context of these proposals, are there other ways we should simplify and streamline joint working arrangements at regional level and among public bodies within the new authority areas? If so, what are they?

Chapter 5

Consultation Question 3

Chapter 5 sets out the proposed approach to transition and implications for establishing Transition Committees and elections to Shadow Authorities under each option.

a) Do you agree with the proposed process of transition: namely establishing Transition Committees and ensuring elections to Shadow Authorities can be held ahead of vesting day for the new authorities?

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b) Do you agree that, if option 1 were pursued, we should set a date by which voluntary merger proposals should come forward in each electoral cycle?

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c) Do you have any other thoughts on the proposed process?

Numbers of Councillors and areas represented will change. The number of electoral divisions would also vary. These issues would need to be factored in to any transition arrangements, with the work and timescales of the Local Democracy and Boundary Commission for Wales (LDBCW) being a key consideration. The early mergers date could present problems here.

Consultation Question 4

The consultation suggests holding any local government elections in June 2021.

Are there any reasons why June 2021 would not be a suitable date? If so, please suggest an alternative date with the reasons why that would be more suitable.

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Consultation Question 5

The Welsh Government recognises that there are some plans or assessments, for example the preparation of assessments of wellbeing by Public Service Boards, which are linked to electoral cycles. We will make provision to make sure these tie into any new electoral cycles going forward. Are there any other plans or matters which might be tied into the electoral cycle which we need to consider?

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Consultation Question 6

What are your views on the approach which should be taken to determining the parameters of electoral reviews?

Chapter 6

Consultation Question 7

a) How can councils make more effective use of their elected members knowledge of, and connections in, their communities?

b) How could we better recognise the level of responsibility involved in being a local councillor? What changes to the remuneration and support councillors receive would enable a wider range of people to become involved in local democratic representation?

Consultation Question 8

a) Are there other powers which local government should have? If so, what are they?

b) Are there other freedoms or flexibilities which local government should have? If so, what are they?

Consultation Question 9

a) Which areas offer the greatest scope for shared transactional services?

b) How might such arrangements be best developed?

Consultation Question 10

a) In ensuring we deliver a consistent approach across Wales, where consistency is important, how do you think the advice and support on each of these matters could be best provided?

c) Are there any other challenges or opportunities from structural change or providing additional powers and flexibilities that have not been identified above? If these areas require support, what form should this support take?

d) Which of the issues identified above or in your response should be prioritised for early resolution?

Consultation Question 11.

We would like to know your views on the effects that the proposals within this consultation would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

a) What effects do you think there would be?

b) How could positive effects be increased, or negative effects be mitigated?

Consultation Question 12

Please also explain how you believe the proposed policy within this consultation could be formulated or changed (if required) so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Consultation Question 13

The Children's Rights Impact Assessment published alongside the consultation outlines the Welsh Government's view of the effect of the proposals contained in the consultation on children and young people. The Welsh Government seeks views on that assessment.

a) Are there any positive or adverse effects not identified in the assessment?

b) Could the proposals be reformulated so as to increase the positive effects or reduce any possible adverse effects?

Consultation Question 14

The Equalities Impact Assessment published alongside the consultation outlines the Welsh Government's view of the effect of the proposals contained in the consultation on protected groups under the Equality Act 2010. The Welsh Government seeks views on that assessment.

a) Are there any other positive or adverse effects not identified in the assessment?

b) Could the proposals be reformulated so as to increase the positive or reduce any possible adverse effects?

Consultation Question 15

Please provide any other comments you wish to make on the content of this consultation.

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SUBJECT: TRANSFER OF THE ASSESSMENT FOR FREE SCHOOL MEALS TO SHARED BENEFIT SERVICE.

MEETING: CABINET

DATE: 6th JUNE 2018

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

This report proposes the transfer for the assessment of free school meals (FSM) to the shared benefit service operated by Torfaen County Borough Council for a two-year trial.

2. RECOMMENDATIONS:

To agree the proposal to transfer the assessment of FSM to the shared benefit service for a two year period from 1st September 2018.

To agree the cost of this is £15,500 per annum, this will be paid to Torfaen County Borough Council for the provision of this service. This will be funded by an existing vacancy.

3. KEY ISSUES:

Background

- 3.1 Currently the assessment for FSM pupils is carried out by the School and Student Access Team within the Children and Young People Directorate.
- 3.2 The criteria for entitlement for FSM is determined by the Welsh Government for all of Wales and the assessments are made in line with these.
- 3.3 The current arrangement for assessing Monmouthshire resident benefits entitlement is carried out by Torfaen County Borough Council as part of a shared service arrangement.
- 3.4 During 2017-18 Torfaen County Borough Council moved their assessment of FSM from education to the shared benefit service and as a result they have seen an increase in entitlement of FSM by 20%. On their assessment, 50% of this was due to the roll out of Universal Credit and 50% due to the targeting of families that are entitled to FSM but not claiming.

Proposed changes

- 3.5 The proposal is to transfer the assessment for FSM for Monmouthshire County Council residents to the share benefit service operated by Torfaen County Borough Council.
- 3.6 The benefit of this is that through the shared service Torfaen would be able to review and target the relevant families to make them aware of their entitlement and the benefits that offers. With the aim to increase the take up of FSM in Monmouthshire to reduce the cost burden to families.
- 3.7 This will over time see increased income to the Revenue Settlement Grant for Monmouthshire, and see an increase in grants offered to schools.
- 3.8 There will be an increase in the catering budget to provide that FSM, however, the benefits are likely to outweigh any additional costs.
- 3.9 All of our schools ensure that processes are in place to ensure that pupils claiming FSM are not identified by peers to minimise any stigma attached to this.
- 3.10 Grants such as the Pupil Development Grant are directly distribute to school using FSM data from Welsh Government.
- 3.11 The service will be managed by a Service Level Agreement similar to the one offered for the current shared service with clear criteria agreed between the parties. This is attached in appendix 1.
- 3.12 All the compliance for GDPR will be undertaken by Torfaen County Borough Council, through an information sharing agreement, any costs of this, and any cost of engaging with the households will be picked by Torfaen County Borough Council.

4. OPTIONS APPRAISAL

Two options have been considered, the first is to continue with the current arrangement, the disadvantage of this is that we would not see any increase in the entitlement and the benefits this bring. Under the current arrangement, Monmouthshire would naturally see an increase in FSM entitlement with the introduction of Universal Credit in June 2018, but it is anticipated that the increase would be greater if the services was transferred to Torfaen County Borough Council.

Given the current joint service arrangements for the benefit, entitlement Monmouthshire Children and Young People's directorate do not have access to the individual household's information and therefore are unable to carry out this service within the directorate.

The second option is share above and is the preferred option.

5. EVALUATION CRITERIA

This is included in appendix 2.

6. REASONS:

With Torfaen County Borough Council currently processing the benefits for Monmouthshire County Council residents through the share benefit service. This service holds all the information required to target families that can benefit from claiming FSM. The criteria for entitlement is determined by Welsh Government and the same across Wales.

7. RESOURCE IMPLICATIONS:

The cost to transfer the service is £15,500 per annum. This will be funded via a vacancy that is currently being held open.

Under the current formula distribution for the Regional Settlement Grant, Monmouthshire County Council would see a benefit in funding, however, Welsh Government are looking at the settlement distribution currently, therefore any changes may affect this.

Currently the pupil development grant is calculated using this indicator and therefore any increase in entitlement will be of a benefit to schools through this grant.

There could be a loss in income for school meal if some of these families are paying for a meal currently. The worst-case scenario is that we would see income reduce by £53,625 per annum, however this is an unlikely scenario.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

This is included in appendix 3.

9. CONSULTEES:

Cabinet Member for Education
Cabinet Member for Resources
CYP Select Committee
DMT
Torfaen County Borough Council – Head of Revenues and Benefits.
All consultee's comment have been included in the report.

10. BACKGROUND PAPERS:

Service Level Agreement

11. AUTHOR:

Nikki Wellington

12. CONTACT DETAILS:

Tel: 01633 644549 E-mail: nicolawellington@monmouthshire.gov.uk

Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Appendix 2

Title of Report:	TRANSFER OF THE ASSESSMENT FOR FREE SCHOOL MEALS To TE SHARED BENEFIT SERVICE OPERATED BY TORFAEN COUNTY BOROUGH COUNCIL.
Date decision was made:	6th June 2018
Report Author:	Nikki Wellington

What will happen as a result of this decision being approved by Cabinet or Council?
The assessment for Free School Meal (FSM) entitlement will transfer to Torfaen County Borough Council from the 1 st September 2018 to the shared revenue and benefits service, for a 2 year trial.
24 month appraisal

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?
This is set out in the Service Level Agreement in appendix 1
24 month appraisal

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?
£15,500 the benefits due to the expected increased take up are not known yet. Up to £53,625 loss of income.
24 month appraisal

Any other comments



APPENDIX 1

FREE SCHOOL MEAL AWARDS - SERVICE PARTNERSHIP AGREEMENT 2018/19 to 2019/20

MONMOUTHSHIRE COUNTY COUNCIL (MCC) EDUCATION SERVICE AND TORFAEN COUNTY BOROUGH COUNCIL (TCBC) SHARED BENEFITS SERVICE

- 1.1 The purpose of this agreement is to provide a framework for the negotiation of the service levels and standards which are to be achieved by all parties. It will commence on 1 July 2018 and end on 31 July 2020.
- 1.2 The TCBC Shared Benefits Service will provide Free School Meal assessment and administration services to MCC as set out in appendix A
- 1.3 Both MCC and TCBC will ensure that wherever an activity is carried out on behalf of the other authority that
 - The area of planned activity is agreed by both work parties
 - Targets and standards (e.g. amount of work to be processed / quality of work are decided in advance
 - Responsibility for monitoring the activity lies with the authority receiving the service
 - The authority providing the service will report on the activity carried out as required by the authority receiving the service (e.g. level of work transacted, evaluation of training feedback).
- 1.4 The authority receiving the service will ensure all necessary IT access, operational procedures, and relevant Council policies are made available to the other authority.
- 1.5 The authority providing the service will ensure compliance with all appropriate procedural requirements.
- 1.6 A schedule of costs will be agreed between the two authorities. The current schedule is set out in Appendix A.
- 1.7 MCC and TCBC will meet to review this agreement and to determine ongoing administrative arrangements including revision of assessment procedures due to regulatory changes initiated by Welsh Government
- 1.8 Any dispute arising from these arrangements will be determined by the relevant Heads of Service of both organisations.

APPENDIX A

SCHEDULE OF SERVICES

ADMINISTRATION COST £15,500 in each of the academic years 2018/19 and 2019/20

TO BE PROVIDED BY THE SHARED BENEFITS SERVICE (TCBC)

- Administration of the assessment of Free School Meal awards for all entitled children in Monmouthshire
- To purchase the software required in order to administer Free School Meals in alignment with other benefits including Housing Benefit and Council Tax Reduction
- To carry out an initial review of award entitlements in order to capture the required data and comply with GDPR requirements
- To provide an accessible claims process for Monmouthshire households including Freephone service, online forms and e-mail contact
- To maximise take up of Free School meals by identifying potential entitlement as part of a holistic approach to benefits take up also including Housing Benefit, Universal Credit and Council Tax Reduction
- To achieve an increase of take up between handover from MCC and end of contract period of 9 per cent
- To update schools and school clerks with changes to / from entitlement to Free School meals as and when they occur
- To provide monthly reports for each school showing Free School Meal entitlements
- To provide regular reports to MCC Education detailing Free School Meal entitlements and take up
- To liaise with MCC Education administration and support services with respect to Free School Meal entitlement and school placements and moves
- To provide reports as and when required by committees and representatives of Monmouthshire Council and to present the reports if required

Signed

Dated _____

Head of Legal Services, Torfaen County Borough Council

Signed

Dated _____

Monmouthshire County Council

Date _____



monmouthshire
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Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer Nikki Wellington</p> <p>Phone no: 01633 644549 E-mail: nicolawellington@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>TRANSFER OF THE ASSESSMENT FOR FREE SCHOOL MEALS TO THE SHARED BENEFIT SERVICE OPERATED BY TORFAEN COUNTY BOROUGH COUNCIL.</p>
<p>Name of Service CYP Finance</p>	<p>Date Future Generations Evaluation 2nd May 2018</p>

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NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc


1. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Households that are entitled to Free School Meals (FSM) in Monmouthshire will be targeted to look to increase the entitlement for Monmouthshire and offer the benefits to these households. This will in turn offer benefits for Monmouthshire County</p>	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	Council through the increase in the revenue settlement grant and grants offered to schools.	
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)		
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Increase in the number of pupils receiving a FSM, these meals comply with guidelines set for healthy eating by Welsh Government.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected		
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	With the increase in take up for FSM, this may result in the need for additional staff both in Monmouthshire County Council and our suppliers.	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Often schools will use the lunchbreak to promote the Welsh language and will also incorporated Welsh themed lunches.	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Households entitled to FSM will be able to claim for the benefits that they are entitled to. This may lead to an increase in disposable income for those households.	

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>		
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>		
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>		
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Households entitled to FSM will receive the benefits to which they are entitled.</p>	

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p><i>The schools meals provided are compliant with the guidelines for healthy eating laid down by Welsh Government.</i></p>	

3. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link: <http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or alanburkitt@monmouthshire.gov.uk

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	<p><i>Children entitled to FSM that are not currently claiming will be able to access a healthy meal at lunch time in school.</i></p>		
Disability	<p><i>This could impact on those families that are supporting a child with a disability. While it is not always the case, these families may have limited earning capacity and limited income therefore this will see a positive benefit to these families.</i></p>		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Gender reassignment			
Marriage or civil partnership			
Pregnancy or maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			
Welsh Language	<i>Schools will often carry out additional activities for pupils at lunchtime; this will include activities focusing around Welsh Language and Welsh Culture.</i>		

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance <http://hub/corporatedocs/Democratic%20Services/Safeguarding%20Guidance.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding			
Corporate Parenting			

5. What evidence and data has informed the development of your proposal?

Information from Torfaen County Borough Council that have already transferred their service from education to the shared benefit service.
Information provided in the service level agreement provided by Torfaen.

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6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The main positive benefit is that households that are entitled to FSM are made aware and can choose to claim this for the benefit of their family.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
---------------------------------	-------------------------------------	---------------------------	-----------------

Individual Members Decision – Cabinet member for resources.	23 rd May 2018	Nikki Wellington	

8. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	September 2020
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9. VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

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Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1.0	Individual Members decision	23 rd May 2018.	

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SUBJECT: CORPORATE PARENTING

MEETING: CABINET

DATE: 6th June 2018

DIVISION/WARDS AFFECTED: ALL

NON-PUBLICATION - NA

1. PURPOSE:

This report seeks approval for the revised Corporate Parenting Strategy and Action Plan 2018 – 2021.

2. RECOMMENDATIONS:

It is recommended that Cabinet Members:

- Note the content and intentions of the corporate strategy and action plan
- Note the membership and Terms of Reference for the Corporate Parenting Panel
- Consider the implications for all elected members and the wider council.

3. KEY ISSUES:

All Councillors have a special responsibility as Corporate Parents to ensure that all our Looked After children within our County have the opportunity to live a safe, happy, healthy and fulfilling life.

Part 6 of the Social Services and Well-being (Wales) Act 2014 is the core legislation which underpins this duty. Section 78 states that it is the Council's duty to safeguard and promote the welfare of each child it looks after, and every care leaver. Once a child is in care all elected members and officers of the local authority, as corporate parents, need to be concerned about that child.

The Corporate Parenting Strategy and Action Plan sets out how the council will meet this statutory duty over the next 3-year period. The strategy takes into consideration the current local context and an overview appraisal of the outcomes of the previous strategy (2014 – 2017).

The strategy is set around 9 priority areas:

Priority 1 – All elected members and officers understand and act on their responsibilities as corporate parents

Priority 2: All looked after children have a safe and stable home

Priority 3: Looked after children enjoy a range of educational and learning opportunities

Priority 4: Looked after children enjoy the best possible health

Priority 5: Looked after children enjoy a range of play, sport, leisure and cultural opportunities

Priority 6: Looked after children are listened to and treated with respect

Priority 7: Looked after children are supported and enabled to achieve independence

Priority 8: Looked after children are cared for by Monmouthshire carers and remain close to their homes and communities

Priority 9: All care leavers are supported in education, training and employment

The delivery of the strategy is overseen by the Corporate Parenting Panel. The membership and Terms of Reference for the Panel is set out at appendix 2 and 3.

4. OPTIONS APPRAISAL

No other options were considered.

5. EVALUATION CRITERIA

Evaluation measures are set out in the action plan at appendix 1.

6. REASONS:

The Council has a statutory requirement to define how it will respond to the duty to safeguard and promote the welfare of each child it looks after, and every care leaver, not only within Children's Services but through the involvement of the whole council.

7. RESOURCE IMPLICATIONS:

There are no core financial implications required to implement the strategy. A range of potential avenues will be explored to financially support aspects of the strategy around specific events and activities for young people or carers. Officer and Member time is required to ensure the effective implementation of the strategy.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

See attached at Appendix 4

9. CONSULTEES:

Who	Mechanism	Outcome
Corporate Parenting Panel Members	Discussed at panels and via emails over the last 4 months	Details and content discussed at meetings and via email and content developed / amended
CYP Select	Presentation at Committee Jan 24 th 2018	Committee members endorsed the strategy and action plan
Care Leavers Group	Personal Advisor facilitated discussions on the draft strategy	Comments made about the importance of emotional well-being, financial support and out of county placements. Comments

		included into the body of the report.
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10. BACKGROUND PAPERS:

Corporate Parenting Strategy and Action Plan 2018 – 2021 (appendix 1)

Corporate Parenting Panel Terms of Reference (Appendix 2)

Corporate Parenting Panel Membership (Appendix 3)

11. AUTHOR:

Jane Rodgers, Head of Children's Services

12. CONTACT DETAILS:

Tel: 01633 644054

E-mail: janerodgers@monmouthshire.gov.uk



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Corporate Parenting Strategy

2018 - 2021

Foreword

The Monmouthshire County Council Corporate Parenting Strategy is an important document which identifies, as defined by the Welsh Government, ‘the collective responsibility across services and across local authorities.... to safeguard and promote the life chances of looked after children.’

All Councillors have a special responsibility as Corporate Parents to ensure that all our Looked After children within our County have the opportunity to live a safe, happy, healthy and fulfilling life. A good education and opportunities for social development are paramount to this and in this respect, Looked After Children are absolutely no different and must be afforded the same choices.

The strategy sets out clearly a reference guide for Corporate Parents to follow and emphasises the key aspects of the role which include how to listen, learn and question and act as advocates on behalf of this special group.

This is the Council’s second Corporate Parenting Strategy.

County Councillor Penny Jones

Cabinet Member and Chair of Corporate Parenting Panel

Corporate Parenting Priorities

Priority 1 – All elected members and officers understand and act on their responsibilities as corporate parents

Priority 2: All looked after children have a safe and stable home

Priority 3: Looked after children enjoy a range of educational and learning opportunities

Priority 4: Looked after children enjoy the best possible health

Priority 5: Looked after children enjoy a range of play, sport, leisure and cultural opportunities

Priority 6: Looked after children are listened to and treated with respect

Priority 7: Looked after children are supported and enabled to achieve independence

Priority 8: Looked after children are cared for by Monmouthshire carers and remain close to their homes and communities

Priority 9: All care leavers are supported in education, training and employment

Where I am Safe

Within Monmouthshire, our first pledge to children and young people is that whenever possible we will support them to remain within their families. We recognise that this is the best environment for the majority of children and young people to develop and achieve their outcomes.

There are however a small group of children and young people who will need to be accommodated, primarily as a result of abuse or neglect that they have experienced at home. We will ensure that children and young people who are unable to live safely within their own families are looked after and provided with the best possible care and support in placements that meet their needs.

Children in care will already have been placed at a disadvantage when they come into care. Monmouthshire County Council wants to ensure that the experience of children and young people does not add to this disadvantage but provides them with the stability and security they need to flourish. Children and young people will be healthy and happy, and feel valued and loved. Children and young people will enjoy learning and grow into successful adults who can have positive relationships, positive futures, become responsible citizens and achieve their goals and ambitions. “Our aspirations for the children and young people that we look after are the same as any good parent would want for their children. Where they need it children and young people will receive the very best possible standards of care and support” (Where I am Safe Strategy 2016).

Entitlements of Looked After Children and Care Leavers

Children who are looked after have the same entitlements as all children and young people. Under the Social Services and Well-being Act (Wales) 2014 this is now articulated through the concept of well-being. For children and young people this incorporates:

- Being safe
- Having somewhere suitable to live
- Being involved in decisions that impact your life
- Having friends
- Being part of good, strong communities
- Having every chance to do well in education, training, work-based learning and employment
- Feeling good about your life
- Being able to grow up happily and successfully,
- Being well-looked after

What is corporate parenting?

Parents always want the best for their children. For children in care it is elected members and officers who are together responsible for providing the quality of care that would be good enough for their own children.

Welsh Government defined the concept of corporate parenting as:

“The collective responsibility across services and across local authorities, to safeguard and promote the life chances of looked after children”

Councillors as Corporate Parents

Elected members have a ‘special responsibility’.

“When you became an elected member you took on one of your most important roles, as corporate parent to children your local authority looks after. The importance of your corporate parenting responsibilities cannot be overemphasised. Elected Members have a responsibility to ensure that children looked after by the Council are able to thrive, that they are nurtured, supported, educated, listened to and prepared for adult life in the way any good parent would want for their own children. These children will often have faced significant challenges and will need the help of adults who hold powerful and influential positions.”

Gwenda Thomas AM, Deputy Minister for Social Services

Key aspects of the role of a Corporate Parent include:

- To know what the key issues and concerns are of our looked after children and to ensure that the Council is responding to these.
- Ensuring that parental responsibilities for LAC are being fulfilled;
- To identify where things need to improve and to make a difference for good
- To consider and question the impact of Council decisions on looked after children and care leavers.

Officers of the Council

Corporate parenting responsibilities are not confined to elected members. All officers share the responsibility to promote the needs of looked after children.

Key responsibilities of all Officers are:

- To promote the life chances of looked after children and care leavers in their area of responsibility.
- To consider the impact of decision making on looked after children and care leavers.

Care Leavers

The Corporate Parenting Strategy applies equally to care leavers as it does to children and young people who are looked after.

A Care Leaver is defined as a child who was previously a Looked After Child and was in Care on their 16th birthday. Our duties to care leavers remain until they are 25. A young person can 're-connect' to care and support at any time during this period.

The local authority as a 'good corporate parent' will assist the young person with financial support to achieve economic well-being and make a positive and successful transition to adulthood. This recognises that supporting the emotional well-being of our care leavers is a key factor.

The report undertaken by the Children's Commissioner 'Hidden Ambitions' published in 2017 has re-emphasised to Local Authorities that Care Leavers still face many barriers, and that more needs to be done to ensure that care leavers have the support and resources they need to make successful transitions into adult life. Having access to some extra financial support at times of particular difficulty or crisis is an important element to this, and one that the young people's consultees felt needed highlighting.

At a regional level, the Institute of Public Care (IPC) recently undertook a review into the care leavers with complex needs to explore how support and accommodation services for this group of young people could be improved and developed. There are still circumstances when Young People with more complex needs or experiencing mental health difficulties are placed out of county making family contact difficult to maintain.

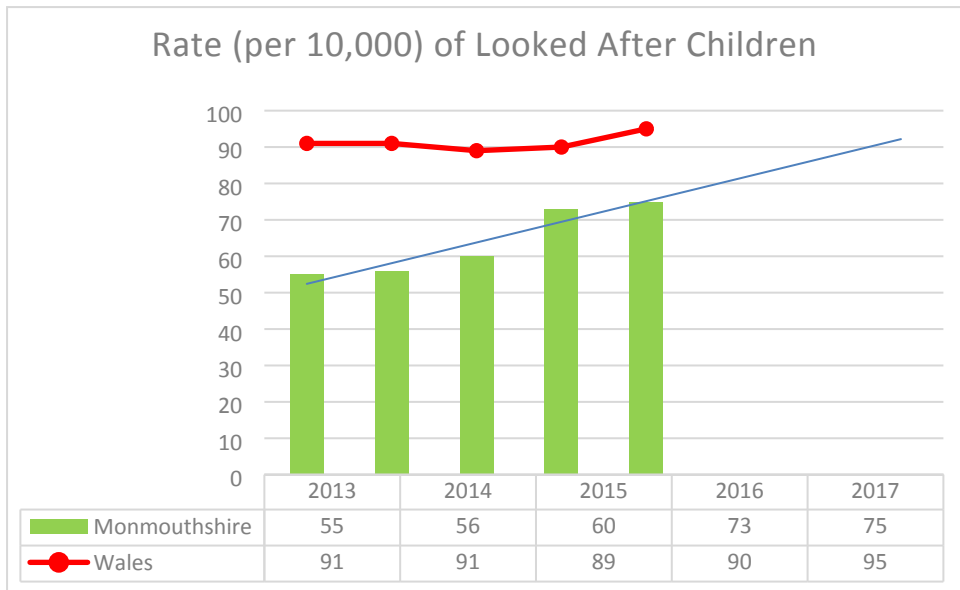
Looked after children

The National Picture

As at 31st of March 2017 there are 72, 670 children currently being looked after by Local Authorities in England and over 5,955 by Local Authorities in Wales, the majority of whom live in foster placements.

The number of children in care in Wales increased by 24% in the five years up until March 2017 and over the last 20 years has doubled.

Previously, Monmouthshire rate of looked after children per 10,000 children was lower than the all Wales average, however, over the last five years we have seen significant increase in Monmouthshire of looked after children.



Children who become Looked After are likely to have experienced trauma and exposure to multiple adverse childhood experiences (ACEs). Children who become Looked After who are disabled and / or come from ethnic minority backgrounds can experience further disadvantage.

The outcomes for children and young people in care remain poor, with research indicating that this group is over represented amongst

- homeless and prison populations,
- are more likely to be offending,
- experience drug and alcohol misuse, and
- have poor mental health.

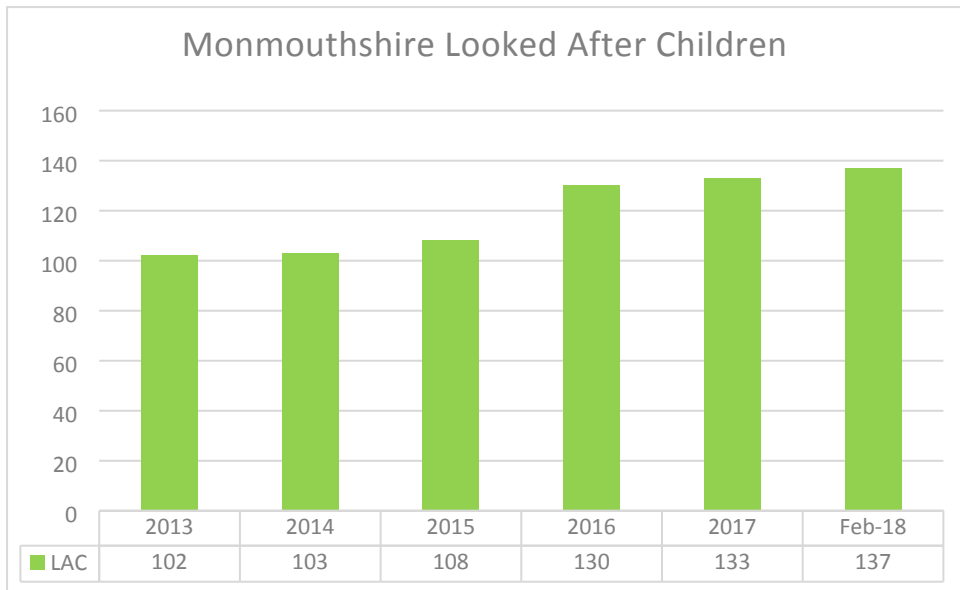
However, despite the complex needs these children and young people have, many can and do make a great success of their lives, with the right support and care.

As at Feb 2018, 72.73% (8 out of 11) of care leave engaged in education, training or employment during the 12th month after they left care

As at Feb 2018, 70% (7 out of 10) of care leavers engaged in education, training or employment during the 24th month after they left care.

The Local Picture

As at end of Feb 2018 were 137 children or young people Looked After by Monmouthshire Council and 56 category 1-4 care leavers. This represents a significant increase over the last five years.



The majority are being looked after because they have experienced significant abuse or neglect, and most are subject to Care Orders made by the courts under the Children Act 1989. These orders confer Parental Responsibility on the council (shared with their parents).

Breakdown by legal status

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Interim Care Order	24	12	10	23	17	15
Full Care Order	27	49	54	65	77	110
Placement Order Granted	50	13	8	15	13	4
Section 76		29	36	24	23	8
Wardship				3	3	2
Total	101	103	108	130	133	139

Breakdown by age

Age Band	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Jan-18
0-4	27	26	25	39	32	32
5-9	21	26	24	30	32	38
10-14	26	26	28	31	44	42
15+	27	25	31	29	25	29
Total	101	103	108	129	133	141

Breakdown by type of placement

Placement Type	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Jan-18
MCC Generic Fostering	36	35	34	32	26	28
MCC Kinship Fostering	28	19	16	29	23	26
Indep Fostering	25	25	37	32	42	42
Indep Living	2	2	1	1	5	5
Residential / Education Placement	6	5	8	10	8	11
Other LAC	4	17	12	26	29	29
Total	101	103	108	130	133	141

Breakdown by Age and time looked after

Length of time in care	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Jan-18
Under 6 Months	12	12	25	20	26	14
6 Months to a Year	16	22	2	25	10	24
1-2 Years	35	16	27	16	35	22
3-4 Years	22	29	34	46	35	53
5+ Years	16	24	20	22	27	28
Total	101	103	108	129	133	141

Significantly, there are more children placed with foster carers working for independent fostering agencies than placed with Monmouthshire foster carers. This is something that the current strategy is seeking to address: In Monmouthshire we

want children to be looked after by Monmouthshire carers and, whenever possible, to remain within the geographical boundaries of Monmouthshire, closer to their home and communities. We believe that this is the best way of achieving best outcomes for our looked after children, and is the reason why we have added this to our Corporate Parenting priorities.

Review of the Corporate Parenting Strategy and Action Plan 2014 – 2017

The current strategy and action plan is built on a review and appraisal of the previous 3 years and through consultation with key stakeholders. This includes Corporate Panel Members, the young people's participation group, foster carers, operational social worker teams and SLT. The review recognises that whilst some real progress has been made in some areas, in others changes have been harder to sustain. The context is ever changing both in terms of the legislative framework and in terms of the operational services that are tasked with delivering against many of the identified objectives.

The key outcomes from the review are set out below:

Key Achievements

- Members 'Introduction to Corporate Parents' was updated and carried out as part of the induction programme for the new administration
- Consideration of Corporate Parenting responsibilities is now required in all reports for Cabinet or Full Council.
- There is a good understanding and awareness of Corporate Parenting through SLT and across the Local Authority directorates. Actions around Looked After children feature in Service Improvement Plans other than Social Care.
- The council has evaluated initial apprenticeship programmes and has strengthened the operational leadership of this. There is a post created in Enterprise to support 16 – 18 year old care leavers with education, training and employment.
- We have a team of dedicated and committed foster carers in Monmouthshire, who have a good network of support through FC4FC.
- There is a training programme in place for foster carers.
- Members of the Placement and Support team are trained in attachment based practice to help them support foster carers.
- There is support in place for generic and kinship carers through the BASE.
- BASE is well established and helps ensure that the emotional and psychological needs of Looked After children, young people and care leavers are understood and met.
- Looked after children's educational outcomes and achievements are reported on a cohort basis (e.g. mainstream, Additional Learning Needs, Unaccompanied Asylum Seekers and Looked After Children attending the Pupil Referral Unit) which allows greater analysis of the educational progress of looked after children.
- A SGO support worker is in place to support carers and the impact of this is

being evaluated.

- TLCY and enterprise continue to provide extra curriculum activities to our Looked After Children, young people.
- The Fostering Project is in place to support the recruitment and retention of Monmouthshire foster carers.

Barriers and Challenges

- The achievements of our Looked After children, young people and care leavers are not as well recognised or celebrated at a corporate level as we would want.
- The young people's participation group is not as well-developed as we would wish at this point. There is a desire to increase the support of and the link between Corporate Panel Members and members of the participation group.
- We do not have sufficient Monmouthshire carers and remain overly reliant on independent foster agencies.
- There is still a shortage of positive support and accommodation choices for care leavers.
- Foster carers do not always find training easy to access and training can be inconsistent.
- There is still work to do to ensure that all members understand their roles as Corporate Parents.
- Life-story work is still not routinely in place with all looked after children.

The Changing Context

- Numbers of Looked After Children continues to increase
- The number of kinship carers continue to increase
- There is a strong drive at national level to increase the regional alignment of fostering services through the National Fostering Framework
- The Social Services and Well-being Act (Wales) 2014 has been implemented.
- Advocacy services are now commissioned regionally.

How the strategy will be delivered, monitored and evaluated

The Corporate Parenting strategy includes an action plan to support implementation of its aims and objectives. Where actions have been brought forward or amended from the previous action plan this is indicated. Measures have been put in place where possible, so that Corporate Panel members have an evidence base through which progress can be monitored. Implementation will be monitored and evaluated by the Corporate Parenting Panel on a 6-monthly basis. The Corporate Parenting Panel will present an annual report to Full Council on progress.

Terms of Reference and Membership of the Corporate Parenting Panel is at annexe 1

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No.	What will we do?	How will we do it?	Who is responsible?	How will we measure progress?
1. B/Fwd	Increase elected members understanding of their responsibilities as Corporate Parents	Induct all elected members Hold annual corporate parenting members' seminar Present annual report on Corporate Parenting to Full Council.	Lead Member for Children and Young People HoS	# elected members inducted # elected members attending corporate parenting seminar Dates of annual reports to council
2. B/Fwd (amended)	Ensure that consideration of Corporate Parenting responsibilities remains high profile within the Council's Senior Management Team	Represent the rights of LAC and Care Leavers at SLT Annual reports	Chief Officer SCH	Dates of annual reports
3. B/Fwd	Celebrate the achievements of looked after children, care leavers and our foster carers.	Introduce programme of individual achievement awards Host an achievement event	Youth / Enterprise leads together with Children's Services with the support of Corporate Parenting Panel and Foster Carer reps	Awards made Date of event

4. B/fwd	Ensure that children and young people in care and care leavers have a voice, are heard and can influence service development	Support the development of young people's participation group Implement LAC survey and respond to outcomes	Youth lead working with Team Manager, Long-Term Support	Annual report from participation group
5. New	Ensure that all Looked After Children and young people are offered advocacy through an 'active offer'	Promote the 'active offer' within social work teams and foster carers	HoS NYAS	# active offers # LAC / Care leavers involved in advocacy
6. B/Fwd	Make every effort to avoid unnecessary changes of placement.	Training, supervision and support for foster carers both 'practical' and 'psychological'. Ensure good practice around matching processes. Ensure 'Stable Lives, Brighter Futures' arrangements are fully complied with	Service Manager, Managed Care	# of unplanned placement moves / placement breakdowns
7. B/Fwd	Improve support available to Special Guardians	Review of SGO policy and practice and implement new arrangements	Service Manager, Managed Care	# SGO support plans # SGO breakdowns and reasons

8. New	Ensure that adoption processes and adoption support is in place and working well	Ensure that operational link with SEWAS is working well	Service Manager, Managed Care working with SEWAS	SEWAS annual report including # of POs made and # of adoptions achieved
9. New	Increase the number of LAC placements with Monmouthshire Foster Carers	Implement the objectives of the fostering project	Service Manager, Managed Care working with the fostering project board	# increase in placements with Monmouthshire carers
10. New	Increase the options for support and accommodation for care leavers including 'When I am Ready' placements	Implementation of the LAC / commissioning strategy Where I am Safe Implement outcomes from the IPC review	Service Manager, Managed Care working with Lead Commissioner for CS	# Care Leavers experiencing period of homelessness or living in unsuitable accommodation
11. B/Fwd	Ensure that all children have a good understanding of their own "life-story" – why they live where they do and what the plans for their future are.	Ensure Support Workers, Social Workers and Foster Carers have skills and confidence in completing life-story work.	Service Manager, Managed Care	TBC
12. B/Fwd	Narrow the gap of educational achievement between looked after children and their peers	Ensure that cluster bids are strategic and are focussed upon improving outcomes for LAC pupils.	Inclusion Manager CYP	# (%) children reaching expected levels at key-stage Closing the gap between universal

		<p>Report Looked after children's outcomes on a cohort basis (e.g. mainstream, ALN, Unaccompanied Asylum Seekers and LAC in PRU)</p> <p>Ensure PEPs are completed within timescales; are of high quality and based on a multi-disciplinary approach</p>		outcomes and LAC pupils at each key stage
13. B/Fwd (amended)	Ensure that all looked after children and care leavers are fully supported to engage in education, training or employment post-16	Ensure that Pathway Plans are implemented through a partnership approach	Enterprise Leads together with Team Manager Long-Term Support	# (%) of care leavers who are in education, training or employment
14. B/Fwd (amended)	Ensure the health needs of LAC and young people are met	<p>Undertake LAC health assessments</p> <p>Ensure that Health records and information travels with children moving placements or entering care</p>	Lead Nurse for LAC ABUHB	<p># LAC health assessments completed on time</p> <p>Annual report</p>

15. B/Fwd (amended)	Promote good emotional health and safe behaviours amongst all our looked after children.	Support carers in meeting the emotional needs of LAC and young people Ensure LAC and young people have access to psychological and therapeutic support	Service Manager, Managed Care working with Family Support services and BASE	
16. B/fwd (amended)	Ensure that all LAC and Care Leavers have access to a full range of 'extra-curriculum' activities	Support carers and young people to access activities and events as identified based on understanding of children / young people's interests and potential	Service Manager, Managed Care working with youth, enterprise and leisure leads and schools	# LAC / Care leavers participating in clubs and events

Annexe 1



Corporate
Parenting Panel - Te

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Corporate Parenting Panel – Terms of Reference

Aim

To ensure a structured and effective approach to corporate parenting in Monmouthshire that supports positive outcomes for looked after children and young people by:

- being well-informed about looked after children and young people in Monmouthshire
- giving consideration to the effect of Council decisions on children and young people
- listening to what children and young people have to say about their care experiences and needs
- being a champion for children based on the standard "would it be good enough for my child?"

Objectives

- To ensure that councillors monitor the quality of services to children and young people for whom they have corporate parenting responsibilities.
- To inform and instruct councillors as corporate parents so that they are able to provide effective leadership and contribute to strategic planning processes.
- To ensure councillors have knowledge and understanding of how the needs of children and their families are met by the council.
- To ensure that Monmouthshire County Council has systems in place to meet legislative requirements and national guidance in relation to corporate parenting responsibilities.
- To ensure that all elected members are aware of their corporate parenting responsibilities and that they consider the effect of their decisions on children and young people in care.

Process

Effective corporate parenting requires knowledge and awareness of the needs of children and young people looked after and the services which they receive. The role of the Corporate Parenting Panel is therefore:

- Development and oversight of the implementation of the Corporate Parenting Strategy
- To support the development of integrated services for children looked after and care leavers to improve outcomes.
- To facilitate the development of a Children in Care Council.
- To receive regular performance reports on the Council's and partner's delivery in respect of the key indicators for children looked after and care leavers. Actions will be identified to unblock barriers to improvement.
- To be responsible for the production of an Annual Corporate Parenting Report to Full Council that will include an analysis of performance in respect of corporate parenting and an action plan for the following year.

- To support the development of the skills and knowledge of elected members, professional staff and officers working with looked after children and young people to provide effective learning and continuous improvements.
- To sponsor and support projects and events designed to improve and celebrate corporate parenting including looked after children achievement events and foster carers' events.
- To meet with representatives from the Children in Care Council and to attend the council as required.
- To ensure that children in care are welcomed and facilitated to attend and participate fully in the Corporate Parenting Panel.
- To receive ideas and proposals from children and young people with experience of being in care and consider how these may be developed and put into practice.

Membership

The Panel will be Chaired by the Lead Member for Children's Services and will act as an advisory group to the Lead Member for Children's Services.

The Panel will be a working group and members will include as a minimum:

- Five elected Monmouthshire County Councillors
- Service Manager responsible for Looked After Children
- Senior Manager from Education as nominated by the Chief Officer
- A young person who is in care or has previously been looked after.
- Two foster carers
- A Social Worker from Children's Services

Frequency of meetings

It is envisaged that the Panel will meet four times a year. It may be necessary on occasions to hold an additional meeting which will be arranged at the request of the Chair.

CORPORATE PARENTING PANEL MEMBERSHIP - 2017

Category	Selection Method	Name
County Councillors	One from each group plus the chair	Chair: County Councillor P. Jones
		Conservative: County Councillor L. Dymock
		Labour: County Councillor T. Thomas
		Lib Dem: County Councillor J. Watkins
		Independent: County Councillor D. Blakebrough
Foster Carers	2 foster carers	Lynne Freeman
		Sam Clark
Young People representatives	2 YP reps (LAC and Care Leavers)	Josh Klein
National Youth Advisory Service	1	Emma Phipps-Magill/Joy Kinnear
Youth Enterprise representative	Youth Enterprise Team	Hannah Jones Youth Enterprise Manager
Housing and Regeneration Manager	Ian Bakewell	Ian Bakewell
Principal Officer Inclusion	Richard Austin	Richard Austin
Head of Achievement and Attainment	Sharon Randall-Smith	Sharon Randall-Smith
Aneurin Bevan University Health Board	ABUHB Rep	Sally Stevens Public Health Nursing Manager LAC Nursing
South East Wales Adoption Service		TBC
Service Manager	Service Manager	Rhian Evans
Chief Officer Social Care, Safeguarding and Health	Claire Marchant	Claire Marchant
Head of Children's Services	Jane Rodgers	Jane Rodgers
Social Worker	2 Social Workers	Eric Smith
Team Manager or Social Worker – Fostering Team		Angela McErlane

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Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation Jane Rodgers</p> <p>Phone no: 01633 644054 E-mail: Janerodgers@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p style="text-align: center;">Corporate Parenting Strategy and Action Plan</p>
<p>Name of Service</p> <p>Children's Services</p>	<p>Date Future Generations Evaluation form completed</p> <p>21st May 2018</p>

NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc

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Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.


Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Yes – supporting Looked After Children (LAC) and Care Leavers to make successful transitions in to adulthood and achieve economic stability.</p>	
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>No</p>	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Yes – supporting Looked After Children and Care Leavers achieve emotional well-being, resilience and good mental health.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Supporting LAC and care leavers to contribute to their communities and become good parents and citizens into their adulthood.	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	No	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Yes supporting LAC and Care Leavers to make positive contributions and to participate to the cultural life, sporting and leisure activities of Monmouthshire	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Yes through a service that supports all LAC and care leavers fulfil their potential whatever their background	

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p><i>This strategy is about the long-term support of LAC and how LAC and Care leavers so that they can lead full and rewarding lives as adults.</i></p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The strategy relies on partnership working and joined up approaches across the council</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Strategy development has involved care leavers and all members of the panel.</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The strategy is preventative in its orientation to providing LAC and care leavers maximum opportunity to meet their potential and plan for future independence, stability and prosperity.</p>	

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>		

3. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link: <http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or alanburkitt@monmouthshire.gov.uk

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	<i>All ages considered</i>	N/A	
Disability	<i>LAC or Care Leavers with disability are provided with the services they need</i>	N/A	
Gender reassignment	<i>As above</i>	N/A	
Marriage or civil partnership	<i>As above</i>	N/A	

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Pregnancy or maternity	<i>As above – LAC or care leavers who are parents are provided with the services they need in their own right</i>	N/A	
Race	<i>As above</i>	N/A	
Religion or Belief	<i>As above</i>	N/A	
Sex	<i>As above</i>	N/A	
Sexual Orientation	<i>As above</i>	N/A	
Welsh Language	<i>As above</i>	N/A	

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance <http://hub/corporatedocs/Democratic%20Services/Safeguarding%20Guidance.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Strategy core aim is to safeguarding LAC and Care Leavers		
Corporate Parenting	Strategy core aim is to promote Corp Parenting		

5. What evidence and data has informed the development of your proposal?

Data regarding the profile of LAC and care leaver current cohort

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

Positives: That LAC and CARE LEAVERS will be supported to lead fulfilling lives and achieve economic stability and emotional well-being.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
Implement the strategy and action plan	Within 3 years	Head of CS and Chair of Corporate Parenting Panel	Via annual report

8. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	Anually
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9. VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
	<i>e.g. budget mandate, DMT, SLT, Scrutiny, Cabinetetc</i>		<i>This will demonstrate how we have considered and built in sustainable development throughout the evolution of a proposal.</i>

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SUBJECT	REVENUE & CAPITAL MONITORING 2017/18 OUTTURN STATEMENT
DIRECTORATE	Resources
MEETING	Cabinet
DATE	6th June 2018
DIVISIONS/ WARD AFFECTED	All Authority

1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the revenue and capital outturn position of the Authority at the end of reporting period 3 which represents the financial outturn position for the 2017/18 financial year.
- 1.2 This report will also be considered by Select Committees as part of their responsibility to,
- assess whether effective budget monitoring is taking place,
 - monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
 - challenge the reasonableness of projected over or underspends, and
 - monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.

2. RECOMMENDATIONS PROPOSED TO CABINET

- 2.1 That Members consider a net revenue outturn unspend of £653,000, an improvement of £694,000 on period 2 (month 7) outturn predictions.
- 2.2 Members consider a capital outturn spend of £46.8 million against a revised budget of £47.2 million, after proposed slippage of £11.8 million, resulting in a net underspend of £395k.
- 2.3 Considers the use of reserves proposed in para 3.7.1,
- 2.4 Supports the apportionment of general underspend in supplementing reserve levels as described in para 3.7.3 below, i.e.:
- | | |
|-------------------------------------|--------------|
| Priority Investment Fund | £155k |
| Capital Receipts Generation Reserve | £50k |
| Balance Invest to Redesign Reserve | £448k |
| Total | £653k |
- 2.5 Members note that the low level of earmarked reserves will notably reduce the flexibility the Council has in meeting the challenges of scarce resources going forward.
- 2.6 Members notes the extent of movements in individual school balances placing emphasis on schools to review the extent that recovery plans can be delivered over shortened timescales, and appreciates a net use of balances of only £94k instead of the original budgeted intention of schools to draw on balances by £877k.

3. MONITORING ANALYSIS

3.1 Revenue Position

3.1.1 Revenue budget monitoring information for each directorate's directly managed budgets is provided together with information on corporate areas.

3.1.2 Responsible Financial Officer's Summary of Overall Position Period 4 : Final outturn

Table 1: Council Fund 2017/18 Outturn Forecast Summary Statement at Outturn

Service Area	Initial 2017-18 Annual Budget	Virements to budget	Outturn Annual Budget	Revised Forecast Outturn	Forecast Over/ (Under) @ Outturn	Forecast Over/ (Under) @ Month 7
	£'000			£'000	£'000	£'000
Adult Services	6,972	11	6,983	7,225	242	36
Children Services	10,018	120	10,138	11,716	1,578	1,052
Community Care	22,162	-111	22,051	21,031	-1,020	-371
Commissioning	1,600	0	1,600	1,444	-156	-93
Partnerships	350	5	355	380	25	0
Public Protection	1,455	1	1,456	1,398	-58	-7
Resources & Performance	864	-172	692	667	-25	-12
Total Social Care & Health	43,421	-146	43,275	43,861	586	605
Individual School Budget	43,166	153	43,319	43,488	169	128
Resources	1,425	-51	1,374	1,289	-85	-63
Standards	4,983	0	4,983	5,076	93	399
Total Children & Young People	49,574	102	49,676	49,853	177	464
Business Growth & Enterprise	824	427	1,251	1,258	7	311
Governance, Democracy and Support		3,973	3,973	3,898	-75	61
Planning & Housing	1,852	-374	1,478	1,532	54	55
Tourism Life & Culture	3,140	34	3,174	3,463	289	107
Total Enterprise	5,816	4,060	9,876	10,151	275	534
Governance, Engagement & Improvement	4,333	-4,333		0	0	0
Legal & Land Charges	446	0	446	423	-23	7
Operations	16,562	-2,138	14,424	15,039	615	471
Total Chief Executives Unit	21,341	-6,471	14,870	15,462	592	478
Finance	2,287	75	2,362	2,131	-231	-182
Information Communication Technology	2,421	92	2,513	2,432	-81	-130
People	1,583	-5	1,578	1,569	-9	-10

Commercial and Corporate Landlord Services	-504	1,639	1,135	1,056	-79	10
Total Resources	5,787	1,801	7,588	7,273	-400	-312
Precepts and Levies	17,075	330	17,405	17,401	-4	-4
Coroners	100	0	100	119	19	19
Gwent Joint Records	182	0	182	182	0	0
Corporate Management (CM)	181	-20	161	111	-50	-38
Non Distributed Costs (NDC)	733	0	733	712	-21	0
Strategic Initiatives	654	-204	450	132	-318	-450
Insurance	1,264	-30	1,234	1,061	-173	17
Total Corporate Costs & Levies	20,189	76	20,265	19,633	-547	-456
Net Cost of Services	146,128	-578	145,550	146,233	683	1,313
Fixed Asset disposal costs	123	-53	70	70	0	0
Interest and Investment Income	-138	116	-22	-158	-136	-12
Interest payable & Similar Charges	3,673	13	3,686	2,957	-729	-733
Charges required under regulation	3,815	292	4,107	3,990	-117	-98
Contributions to Reserves	165	-1,369	-1,204	-1,425	-221	41
Contributions from Reserves	-1,653	1,817	164	513	349	0
Capital Expenditure funded by revenue contribution		92	92	92	0	0
Appropriations	5,985	908	6,893	6,039	-854	-802
General Government Grants	-61,380	0	-61,380	-61,380	0	0
Non Domestic rates	-30,418	0	-30,418	-30,418	0	0
Council Tax	-66,450	-330	-66,780	-67,050	-270	-300
Council Tax Benefits Support	6,135	0	6,135	5,924	-211	-169
Financing	-152,113	-330	-152,443	-152,924	-481	-469
Budgeted contribution from Council Fund				0		
Net Council Fund (Surplus) / Deficit	0	0	0	-652	-652	42

3.1.3 The bottom line situation of a £652k underspend is an improvement of £694k on the reported month 7 forecast.

3.1.4 Of note, net cost of services showed an improvement of £630k against month 7 predictions. Whilst Children's Services continues to evidence a degree of volatility (£1.7million adverse), with an increase of £0.5million against the forecasted outturn costs reported at month 7, this additional volatility has been mitigated by savings elsewhere within Social Care, to end the year below the level predicted at month 7. There was a £300k improvement in the reported additional Learning Needs deficit reported by Children and Young People colleagues. The anticipated provision for insurance claim contribution has been reduced by £173k, following a full year examination of anticipated liability and last 12 months claims activity. Enterprise Directorate indicated a net £259k improvement to end the year only, predominantly the artificial effect of rural development plan work and costs being deferred, with the related reserve funding involved transferred to back to reserves for use in 2018-19 through Appropriations account. Pleasingly, despite the pressures caused by unanticipated winter maintenance and clear up cost, Operations have managed to restrict further costs to £144k adverse cost during the inclement winter months, whilst accommodating reductions in income experiencing in Grounds maintenance, streetscene and waste.

3.1.5 Whilst any overall underspend is a pleasing result for the year, and the outturn variance may seem a big amount. Putting the outturn variance in context, the outturn exhibiting less than 0.6% variation against the net cost budget before financing. That is an incredibly close correlation given the volume of budget holders involved in the process, the volatility in pressures and savings proposals experienced during the year and the need to secure compensatory savings to mitigate adverse positions highlighted earlier in the year. The use of periodic monitoring as a tool for change during the year should not be underestimated.

3.1.6 A comparison of the Net Council fund line against previous years activity indicates the following,

Net Council Fund Surplus	2017-18	2016-17	2015-16	2014-15
	£'000	£'000	£'000	£'000
Period 1	164 deficit	1,511 deficit	867 deficit	219 deficit
Period 2	62 deficit	839 deficit	1,066 deficit	116 deficit
Period 3		79 surplus	162 deficit	144 deficit
Outturn	652 surplus	884 Surplus	579 surplus	327 surplus

3.2.1 Redundancy costs

Members are commonly keen to understand the extent of an redundancy payments made during the year, as staffing remains the most significant and controllable expense to most service areas.

Directorate	Service	Redundancy Costs 2017-18
		£'000
Enterprise	Community Education	58
	Libraries	37
	Policy	21
	Development Control	5
	Community & Partnership Dev	43
	Sub Total	164
Chief Executives	Highways & Traffic	73
	Building Cleaning	5
	Sub total	78
Resources	Asset Management	3
Social Care & Health	Children's Services	1
	Adult Services	5
	Sub total	6

Children & Young People	Schools	346
	Resources	71
	Sub total	417
Total		668

3.2.2 Given the financial challenges that will continue to face the Authority for the foreseeable future, Chief Officers continue to be tasked with ensuring that services live within the budgets and savings targets set for the current financial year.

3.2.3 It isn't particularly usual for the Senior Finance Officer to proffer symptomatic considerations as part of the periodic monitoring report, but it would be sensible to highlight,

- The extent of compensatory ad hoc savings needing to be identified during the year's monitoring process and delivered in a short period before year end to mitigate an overspend situations. Unfortunately these overspend situations aren't being volunteered accurately or completely to senior leadership team, to allow it to make proactive alternate choices rather than simply accept and mitigate the consequence. These remedial savings whilst necessary can be rather speculative, particularly in relation to social care which involves colleagues negotiating effectively with third parties. They have been quite successful in such deliberations previously, but probability suggests, they won't win every case.
- Relatedly, the financial environment facing Councils over the next 4 years is very challenging. It will be increasingly difficult to find additional remedial savings through the year in addition to those required to allow a balanced budget to be established every February. This volatility risk is traditionally mitigated by a heightened accountability culture whereby service managers are reminded of the need to comply within the budget control totals established by members, and are more responsible for any variances to SLT and Cabinet and equally for Select Committees to exhibit a more focussed reflection upon the adequacy of budget monitoring being applied. Members may wish to re-enforce such accountabilities.
- An increasing feature for all Councils is how to sustain core services rather than reduce them. This does lend itself to the consideration of activities not traditional to Councils, often described as innovative, commercial or private sector influenced. Experience of such activities within MCC suggest the implementation phase is key to the success or otherwise of such initiatives. Commercial skills aren't necessarily commonplace to a local authority, such that when faced with considering such, members should increasingly test out the practicalities involved and establish a tolerance to any business case received after which officers are required to re-report to members. This is necessary as the Council has a different duty in the protection of public funds that wouldn't apply in private sector, and the private sector can more easily respond to a deficient project by dropping or amending the proposal. It isn't as easy to do that at pace in a public entity which is problematic as Councils have limited capacity to absorb the effect of deficient projects, so instead public sector will commonly look to reassess the success of the scheme against an alternate lens, most commonly the social benefit when instead the proposal was volunteered to members primarily as a financial benefit.

3.3.1 A summary of main pressures and under spends within the Net Cost of Services Directorates include,

3.3.2 Stronger Communities Select Portfolio (£1,690k net underspend)

- Chief Executives Unit (£592k overspend)

Legal division exhibited a **£23k surplus**, due to professional and specialist fee savings. **Operations exhibited** a worsening of £144k on month 7 position to end the year at a **combined £615k deficit**. The position for each of main Operations areas is as follows, Highways £39k surplus (despite the costs incurred in winter maintenance in March for which only about 15% were

reimbursed by Welsh Government), catering £29k deficit, cleaning £4k deficit, Passenger Transport £322k deficit, Transport administration £4k surplus, Waste and Streetscene £159k deficit.

- Resources Directorate (£400k underspend)

An underspend in Finance Division costs of £231k, predominantly predicted savings in housing benefit and council tax administration, holding staffing vacancies, additional grants and retendering of Security and merchant fee contracts. **IT** showed an **£81k underspend**, due to saving in Digital programme office costs, and return of reserve held previously by SRS on MCC's behalf. **People services exhibited £9k surplus**. **Landlord division** ended the year with **£79k surplus**, the effect of savings in facilities management and asset management, compensating for the net saving in procurement not delivered.

- Corporate (£547k underspend)

Following assessment of insurance provision based on last 12 months activity, a saving of £172k has been realised. A saving on redundancy and corporate pension costs budgets has resulted totalling £339k. Corporate management includes net £50k effect of duplicate payment reimbursements from suppliers and the effect of unidentified income at the end of financial year, which compensates for a net pressure to the Coroners Joint committee budget of £14k.

- Appropriations (£854k underspend)

Caused predominantly by a net £982k saving in treasury/borrowing costs from active treasury management and utilising recurrent short term borrowing as an alternative to taking out more expensive long term borrowing. Net borrowing costs are also favourably affected by any delay in the timing of expenditure, capital slippage and capital underspends where it avoids borrowing presumed. The extent of underspend is affected by the level of net unbudgeted contributions made to reserves of £128k.

- Financing (£481k underspend)

The net effect from an excess of Council tax receipts and less than anticipated Council tax benefit payments

RESOURCES DIRECTOR CONTEXT & COMMENTARY

I am delighted to see the directorate achieve an under spend position at the end of the year having struggled throughout the year to contain pressures resulting primarily from budget savings that were identified as being unachievable. These pressures have impacted significantly on the outturn position but have been offset as a result of efforts made across the directorate to contain and limit expenditure. One-off savings were achieved as a result of one-off grant and income in housing benefits and strategic property management and cemeteries. The directorate has also benefitted from vacancy savings resulting from delays in restructuring. Moving into 2018/19 the directorate did benefit from unachievable budget savings from the current year being removed. That said 2018/19 will still be a challenging year as the directorate looks to deliver its savings plans and continues to support the organisation at large with its agenda for change.

HEAD OF OPERATIONS CONTEXT & COMMENTARY

The stark bottom line in terms of financial outturn for the Operations department is an over spend of £614,000. This is 'new territory' for the department as in previous years an under spend has always been achieved to contribute to the Council's overall outturn. That being said there are various issues that have contributed to the final financial position.

In particular we suffered significant extra cost associated with snow clearing. There were two major incidents this year and whilst our operational response is rapid and effective at getting the roads open, towns working etc. it does come at a cost. Extra funding came through one-off WG grants and we generated income from other agencies that we work for but in gross terms the response cost over £400,000.

Unusually Waste and Street scene declared an over spend with trade waste income below budget and grounds external income being down. Trade waste is an ongoing battle with private providers and just now there is some aggressive pricing from some contractors; grounds relies upon a significant level of external income each year (£1m plus) and although custom improved towards the end of the year it is possible that cut backs are hitting our external customers as well with the resultant 'squeeze' upon ourselves.

There are variations to budget elsewhere within the Operations Department but the final significant overspend has occurred in Passenger Transport and particularly school transport. A significant element of the overspend occurred when a company suddenly ceased trading (announced on a Friday with immediate effect), alternative arrangements were made with other companies taking on routes and more direct provision but the inevitable impact was an increase in costs of around £1200 per day. There has also been an increase in the number of bespoke transport arrangements being put in place for ALN students. These arrangements are often individual taxi services, sometimes with escorts, with subsequent high costs. Two specific issues are mentioned above but the overall cost of passenger transport continues to rise as fuel costs increase and there are less operators in the market. A major review of passenger transport is underway in 18/19.

In conclusion this year has seen a turning point in the outturn with Operations being overspent and it suggests that the cumulative effect of budget cuts year on year is squeezing front line budgets such that the flexibility within budgets to respond to demands has disappeared and funding for the basic services is increasingly under pressure.

3.3.3 Economy & development Select Portfolio (£217k net overspend)

- Enterprise Directorate (£275k net overspend)

Business growth and enterprise incurred a net **£7k overspend**, the net effect of RDP grant funded expenditure being deferred through Appropriations Account compensating in the main for £196k adverse position incurred with Events function.

Planning & Housing (£54k overspend) – Development control exhibits a deficit of £201k through reduced development and income activity, conversely development plans area exhibits £218k surplus, which is rather artificial as the saving is largely resultant from Local development plan (LDP) costs being deferred which will instead crystallise next year (hence the reserve movement through Appropriations). Housing exhibits a £70k overspend which is the net effect of the lodging scheme pressure following removal of grant, compensated in part by savings in homelessness and careline spends.

Tourism, leisure & culture (£289k overspend) - Countryside exhibit an underspend of £11k from part vacancy. There is a £196k overspend in respect of Cultural services (after transferring Outdoor education trading deficit to their trading reserve account), of which the main pressures are Caldicot Castle (£101k), Old Station (25k), Shire Hall (£30k) and Museums (40k). This is an improvement on 2016-17 but still a significant challenge to the impending Leisure trust. Leisure services ended the year with a £34k deficit, predominantly the effect of Monmouth leisure centre closure and effect on its income level.

- Social Care & Health (£58k underspend)

Public Protection (£58k underspend) – predominantly a saving within occupational health service and net fees & charges within Public Health service.

2017/18 has been a challenging year. The outturn position for Enterprise straddles a number of budget areas given the impact of recent restructures – and this will need to be remedied in 18/19 in order to present a full and complete picture. With pressures continuing in areas of Tourism, Attractions and Culture in the main - the work in moving the services towards a sustainable and viable Alternative Delivery model steps up and structure changes and systems modifications related to this, will start to yield impact in 18/19. Other areas of Enterprise have performed well and income levels continue to meet targets reflecting well on the excellent practice and developments we see on the ground.

3.3.4 Adult Select Portfolio (net £959k underspend)

- Social Care & Health

Adult Services (£242k overspend) – pressures exhibited in Severn View staffing, and direct care budgets. The latter being affected by winter conditions and for which Welsh Government has provided additional funding in year.

Community Care (£1,020k underspend) – Significant Welsh Government unbudgeted grants received together with net savings in commissioning team costs, and underspends to the shared frailty budget.

Commissioning (£156 underspend) – predominantly saving to Commissioning staffing structure pending review, a reduction in the cost of various service contracts , and a continued savings within Drybridge Gardens service area.

Resources (£25k underspend) – reduced costs incurred in the support of management of bespoke developed Social Care application

SCH DIRECTOR'S CONTEXT & COMMENTARY

The overall outturn for 2017/18 is an overspend of £587K, which includes a £24K overspend in the Youth Offending Service to be met from its reserve, and £58K of Corporate Safeguarding costs which throughout the year we were reporting to be borne by equivalent underspends in Corporate Financing. This position reflects savings of £380K from the M7 recovery plan plus total mandated savings of £627K.

Children's Services continues to operate under extreme pressures, which is not just a local issue but typical across Wales and England. Since M7 the overspend at outturn has increased from £1.052M to £1.579M largely relating to complex placements and use of agency workforce. However, progress has been made in latter months with agency exit plans seeing a reduction in numbers, and progress made in some areas of the M7 recovery plan, but savings will not materialise until 2018/19. The costs of Corporate Safeguarding are incorporated within the Children's outturn.

Adult Services has delivered an underspend of £959K at outturn, increasing by £519K since M7, which also included mandated savings of £586K and additional savings from the M7 recovery plan of £140K. The healthy outturn position has been due to the continuation of the practice change agenda that has produced savings for a number of years, a Winter Pressures grant received in the

last month of the year, property sales and increased income from client contributions and Frailty underspend resulting from clinical vacancies.

Public Protection, given its very small budget allocation, contributed a £58K underspend to the bottom line due to the Occupational Health nurse vacancy and efforts to increase income in areas of Registrars, Licensing and Commercial activities.

3.3.5 Children & Young People Select Portfolio (net £1,755k overspend)

- Social Care & Health (£1,603k overspend)

Children's Services (net £1,578k overspend) – this can be a fairly volatile area to manage budget wise, with individual placements potentially having a significant effect. The effect of 2 cases within young people accommodation budget are flagged as main cause for £366k overspend. Similarly looked after children activity exhibits a £415k overspend against budget.

There is also £722k overspend reported in respect of Children's services team costs predominantly explained through the continued use of agency resourcing. There is a cost of £58k in relation to safeguarding position that members approved earlier in the year to be borne by overall bottom line effect for the Council. This has been resolved in 2018-19 as an addition to the budget. Supporting Children's service also incurred a £105k overspend, due to an excess of external provision costs.

Youth offending team partnership (£25k deficit) – whilst this shows as an overspend as part of the management accounting spreadsheets caused in the main by pressures on declining funding, this service is a partnership administered by the Council on behalf of itself and others and the deficit balance is transferred through Appropriations to a ring-fenced trading reserve.

- Children and Young People (net £177k overspend)

School Budget Funding exhibited a **£169k overspend** due to additional support provided by LEA in respect of wage protections and transport. There is an **underspend of £85k** within the **Resources subdivision** caused by net interim management arrangements whilst awaiting a restructure. **Standards subdivision** exhibits a **£93k overspend** position which hides some large movements, with 55k savings in management and £109k in Early years costs compensating in part for net £256k overspend in Additional Learning Needs.

SOCIAL CARE & HEALTH DIRECTOR'S CONTEXT & COMMENTARY

The overall outturn for 2017/18 is an overspend of £587K, which includes a £24K overspend in the Youth Offending Service to be met from its reserve, and £58K of Corporate Safeguarding costs which throughout the year we were reporting to be borne by equivalent underspends in Corporate Financing. This position reflects savings of £380K from the M7 recovery plan plus total mandated savings of £627K.

Children's Services continues to operate under extreme pressures, which is not just a local issue but typical across Wales and England. Since M7 the overspend at outturn has increased from £1.052M to £1.579M largely relating to complex placements and use of agency workforce. However, progress has been made in latter months with agency exit plans seeing a reduction in numbers, and progress made in some areas of the M7 recovery plan, but savings will not materialise until 2018/19. The costs of Corporate Safeguarding are incorporated within the Children's outturn.

Adult Services has delivered an underspend of £959K at outturn, increasing by £519K since M7, which also included mandated savings of £586K and additional savings from the M7 recovery plan of £140K. The healthy outturn position has been due to the continuation of the practice change agenda that has produced savings for a number of years, a Winter Pressures grant received in the last month of the year, property sales and increased income from client contributions and Frailty underspend resulting from clinical vacancies.

Public Protection, given its very small budget allocation, contributed a £58K underspend to the bottom line due to the Occupational Health nurse vacancy and efforts to increase income in areas of Registrars, Licensing and Commercial activities. The overall outturn for 2017/18 is an overspend of £587K, which includes a £24K overspend in the Youth Offending Service to be met from its reserve, and £58K of Corporate Safeguarding costs which throughout the year we were reporting to be borne by equivalent underspends in Corporate Financing. This position reflects savings of £380K from the M7 recovery plan plus total mandated savings of £627K.

Children's Services continues to operate under extreme pressures, which is not just a local issue but typical across Wales and England. Since M7 the overspend at outturn has increased from £1.052M to £1.579M largely relating to complex placements and use of agency workforce. However, progress has been made in latter months with agency exit plans seeing a reduction in numbers, and progress made in some areas of the M7 recovery plan, but savings will not materialise until 2018/19. The costs of Corporate Safeguarding are incorporated within the Children's outturn.

CHILDREN & YOUNG PEOPLE DIRECTOR'S CONTEXT & COMMENTARY

The Directorate's outturn position is an overspend of £177,000. However, £93,000 of reserves held in the Authority's maternity and sickness compensation schemes will be utilised to offset the overspend incurred in these areas in 2017-18, bringing the overspend position down to £84,000. Efficiencies have been delivered across many parts of the directorate in order to bring the budget closer to a balanced position, and a significant improvement since Month 7 has resulted. Much of the mitigation against the overspend at month 7 has been through the management of vacant posts. It will not be possible to maintain this position in the medium to longer term and it is important that the directorate is effectively staffed to meet the needs of children and young people of the county.

The Additional Learning Needs budget continues to remain under significant pressure due to the requirement to support more of our pupils with complex needs. This is a particularly challenging budget given the volatility of children arriving into the area and younger children requiring more complex packages of support. The two main elements of this budget have moved in different directions. The Out of County budget has improved its position and ended with a £36,000 underspend. The in-County budget, which provides additional support to children in the classroom, is experiencing significant pressure and the overspend, as a result, amounted to £292,000.

3.4 2017/18 Budget Savings Progress

- 3.4.1 This section monitors the specific savings initiatives and the progress made in delivering them during 2017-18 as part of the MTFP budgeting process.

In summary they are as follows,

Disinvestment by Directorate 2017-18	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD
REVENUE MONITORING 2017-18	£000	£000	£000	£000	£000	£000
Children & Young People	(395)	(395)	(395)	(395)	0	0
Social Care & Health	(627)	(627)	(627)	(627)	0	0
Enterprise	(84)	(84)	(83)	(84)	0	0
Resources	(266)	(257)	(236)	(266)	0	0
Chief Executives Units	(1,224)	(955)	(991)	(935)	(53)	(235)
Corporate Costs & Levies	(118)	(118)	(98)	(98)	(20)	0
Appropriations	(1,708)	(1,708)	(1,648)	(1,648)	0	(60)
Financing	(885)	(885)	(885)	(885)	0	0
DIRECTORATE Totals	(5,308)	(5,029)	(4,964)	(4,939)	(73)	(295)

3.4.2 Mandated saving performance is running at 93% of budgeted levels, a slight reduction on levels reported in period 2(month 7), with currently £295,000 being deemed potentially unachievable, and a further £73,000 to be delayed to later years.

3.4.3 The emphasis of reporting savings has changed from previously where savings were reported when they were manifest, however the judgement is now whether saving is forecast to be achieved.

3.4.4 Consequently the savings appendix (appendix 1) also has a traffic light system to indicate whether savings are likely to be achieved or have justifiable reasons explaining delayed implementation. The following summary of savings mandates are highlighted as requiring further work to crystallise or exhibit an anticipated degree of volatility.

3.4.5 Stronger Communities Select Portfolio

Resources Directorate

- Estates restructure proposals (£30k) affecting markets and community development officer have now been enacted, such Directorate reports full extent of annual savings achieved.

Chief Executive's Office

- Contact Centre (£14k) reorganisation has been delayed and whole place saving of £100k exhibits a shortfall of £65k.
- The procurement saving (£100k) is not yet manifest across Directorates to apportion from the reduced Procurement budget.
- Reduced grass cutting and maintenance schedules (£15k) at Monmouth sports grounds haven't reverted to level of original lease agreement as yet. Rationalisation of Grounds Maintenance tree management services has been delayed resulted compromising the £24k saving.
- Trade waste income levels are reported to be down by circa £80k, with neither (£10k plus £30k) of the extra income savings yet being manifest deliverable.
- Anticipated winter maintenance savings 30k have not been achieved.

3.4.6 Economy & Development Select Portfolio

Enterprise (ENT) Directorate

- Directorate colleagues report current year savings have been delivered in full.

3.4.7 Adult Select Portfolio

Social Care & Health (SCH) Directorate

- Directorate colleagues report current year savings are anticipated to be delivered in full, however without any progress narrative supplied, the more significant have still been flagged as medium risk based on past pressures and experience, and members may wish to check progress with service officers around adult social care transformation and charges increases given the £242k reported in respect of Adult Social Care, predominantly from Direct Care cost budgets.

3.4.8 Children and Young People Select Portfolio

Children and Young People (CYP) Directorate

- Directorate colleagues report current year savings are anticipated to be delivered in full, although Members may wish to check how £150k savings in ALN and childcare voluntary organisations have been achieved, whilst ALN element of Standards subdivision exhibited £256k adverse deficit at end of year.

3.5 Capital Position

3.5.1 The summary Capital position at Outturn is as follows

MCC CAPITAL BUDGET MONITORING 2017-18 AT Outturn by SELECT COMMITTEE						
SELECT PORTFOLIO	Actual Spend at Outturn	Slippage Brought Forward	Total Approved Budget 2017/18	Capital Slippage to 2018/19	Revised Capital Budget 2017/18	Capital Expenditure Variance
	£000	£000	£000	£000	£000	£000
Children & Young People	35,541	15,302	45,129	(9,360)	35,769	(228)
Adult	2	0	2	0	2	(0)
Economic & Development	2,279	966	2,458	(98)	2,360	(81)
Strong Communities	8,954	1,100	11,414	(2,374)	9,040	(86)
Capital Schemes Total	46,775	17,368	59,003	(11,832)	47,171	(395)

Revisions to the programme in year

3.5.2 Major revisions to the capital programme within year included Cabinet approvals for The Monmouth Leisure Centre and Pool redesign (£7,405K), The Cardiff Region City Deal (£1.500k) and £350k for the Public Realm Abergavenny Town Centre scheme.

Slippage to 2018-19

3.5.3 Total Slippage at Outturn amounted to £11,832k. This mainly relates to Future Schools (£9,0369k), £650k within individual S106 schemes, Car Park refurbishments and Ticket Machine improvements (£256k), a further £252k in relation to Granville Street / Wyebridge Street car parks and £141k in respect of new Monmouth Leisure Centre and Pool re-design.

3.5.4 In comparison with period 2 (month 7), service managers collectively identified slippage levels of £6.8m, the main difference being increased slippage in relation to schools programme.

3.5.5 For the last 3 years a more detailed examination of slippage requests has been made based upon the principles established previously i.e.

- whether there has been little or no progress in previous 12 month,
- the level of expenditure incurred this year has been less than in year budget and slippage b/fwd., to consider any opportunity to realign the budget to more realistic levels or reprofile budget more accurately over multiple years.

- or where there are identified problems/barriers to progress e.g. no agreement over scheme, archaeological considerations, planning considerations not yet satisfied or where the manager hasn't clearly evidenced why this should be slippage in the request made.

3.5.6 The capital monitoring tends to be used by Members as a progress/performance tool. Examination of slippage requests suggest capital projects continue to be put into current year when there is little likelihood of being progressed. It is recommended that any report advocating to Council additional capital expenditure needs to highlight accurately which year the spend relates to so it can be profiled into the correct capital programme. Similarly with Property maintenance the slippage narratives indicate work can only proceed at certain times of the year. Where that hasn't occurred it would be sensible to reallocate the budget to an alternate priority and reintroduce in the following year out of the next year's allocation.

3.5.7 Given an upheaval in the accountabilities caused by the creation of Corporate landlord, as a one off, a more relaxed stance has been adopted in respect of slippage requests concerning Property Maintenance and County farms maintenance budgets, which would not normally constitute slippage as officers often highlight a backlog of repair, and are encouraged to decommit any repair work they can't obtain access for, to future year's repair budget expenditure replacing it with priority backlog work. Slippage was requested in respect of the unspent proportion of the Council's access for all capital scheme, it was confirmed there are no active schemes that this expenditure relates to, and so the balance has been more correctly attributed as an underspend on the years' activities.

Capital Outturn

3.5.8 Allowing for the extent of supported slippage requests, outturn capital spending was £46.8 million against a budget of £47.2 million, creating an underspend of £395k.

3.5.9 The main sources of this underspend are

Schools IT	£222k
Access for all	£44k
Solar Farm costs	£69k
Woodstock Way sc106 scheme	£12k
Misc property Service scheme underspends	£48k

3.5.10 However this is not all available for redistribution. For instance the underspends resulting from not automatically slipping sc 106 scheme balances forward will provide no net saving to the authority and will be returned to sc106 balances for refresh and possible reallocation. In financing the capital programme, a pragmatism has been adopted to translate the net effect of any underspend into unused capital receipts rather than saving on borrowing. The approach adopted acknowledges the common delays associated with realising such receipts, and is designed to mitigate the need for temporary borrowing in advance of receipts being realised. Members may recall a need to generate £32m receipts to afford their tranche A Future schools aspirations. Those levels aren't yet secured in full, this isn't a problem per se as the Council has been prioritising the use of Welsh Government funding ahead of its own.

3.6 Capital Financing and Receipts

3.6.1 Given the anticipated capital spending profile reported in para 3.4.1, the following financing mechanisms are expected to be utilised.

MCC CAPITAL FINANCING BUDGET MONITORING 2017-18 at Outturn By FINANCING CATEGORY						
CAPITAL FINANCING SCHEME	Annual Financing	Slippage Brought Forward	Total Approved Financing Budget 2017/18	Provisional Budget Slippage to 2018/19	Revised Financing Budget 2017/18	Forecast Capital Financing Variance 2017/18
	£000	£000	£000	£000	£000	£000
Supported Borrowing	2,402	0	2,402	(0)	2,402	0
General Capital Grant	1,462	0	1,462	0	1,462	0
Grants and Contributions	12,913	5,628	17,627	(4,725)	12,902	11
S106 Contributions	723	522	1,358	(650)	708	15
Unsupported borrowing	11,725	5,663	12,956	(1,231)	11,725	(0)
Earmarked reserve & Revenue Funding	226	302	452	(168)	284	(58)
Capital Receipts	17,246	5,253	22,635	(5,024)	17,611	(365)
Low cost home ownership receipts	78	0	112	(34)	78	0
Unfinanced	0	0	0	0	0	0
Capital Financing Total	46,775	17,368	59,003	(11,832)	47,171	(395)

Useable Capital Receipts Available

- 3.6.2 In the table below, the effect of the changes to the forecast capital receipts on the useable capital receipts balances available to meet future capital commitments is shown. This is also compared to the balances forecast within the 2017/21 MTFP capital budget proposals.

Movement in Available Useable Capital Receipts Forecast

TOTAL RECEIPTS	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Balance b/f 1 st April	18,931	3,411	4,424	7,304
Add:				
Receipts received in YTD	1,722			
Receipts forecast received	0	11,885	3,225	6,251
Deferred capital receipts	4	324	164	164
Less:				
Receipts to be applied	(17,246)	(11,196)	(509)	(509)
Set aside	0	0	0	0
Predicted Year end receipts balance	3,411	4,424	7,304	13,210
Financial Planning Assumption 2017/21 MTFP Capital Budget	608	0	5,156	4,861
Increase / (Decrease) compared to MTFP Capital Receipts Forecast	2,803	4,424	2,148	8,349

- 3.6.3 At Outturn, £5,024k of budgeted capital receipts are forecasted to slip therefore allowing the capital receipts already generated to finance the capital receipt budgeted expenditure on 21st Century Schools within the 2017-18 financial year.

- 3.6.4 There is still an increasingly significant risk to the Council resulting from the need to utilise capital receipts in the same year that they come into the Council. This provides no tolerance or flexibility should the receipts be delayed, which isn't uncommon, and would necessitate compensatory temporary borrowing which is more costly than utilising capital receipts and would necessitate additional revenue savings annually to afford.

3.7 Reserves

Slippage on Earmarked Reserve funded projects

3.7.1 The following table indicates the extent of budgeted reserve funding utilised by Directorates and that element of approved expenditure previously approved that they request to be deferred into 2018-19. These include,

Project	Reserve Source	Reserve funding utilised in 2017-18	Reserve funding deferred to 2018-19
		£'000	£'000
Document Management System	IT transformation	0	54
Digital Programme and Capital IT Costs	IT transformation	6	100
Accounts Payable System	IT transformation	42	5
Cash Receipting System	IT transformation	0	67
Handsets (Connected worker)	Invest to Redesign	20	29
Innovation and marketing assistance	Invest to Redesign	127	36
Inspire to Work	Invest to Redesign	17	0
Vehicle leasing	Invest to Redesign	61	0
Local Development Plan	Priority Investment	0	375
Community Infrastructure Levy Development	Priority Investment	0	30
SCH Leadership Review	Priority Investment	160	39
Future Monmouthshire	Priority Investment	130	0
Children's Service Temporary staff	Priority Investment	86	0
Legal Costs for Revocation	Priority Investment	92	88
Leisure Trust, extra Council costs	Priority Investment	0	155
Schools sickness and maternity compensation scheme	CYP sickness and maternity reserve	93	0
Rural Development Plan	Rural Development Plan Reserve	0	63
Elections Account	Election Reserve	100	0
Museums Acquisitions	Museums Acquisition Fund	1	0
Grass Routes Acquisitions	Trading Account	38	0
Youth Offending Team Partnership	Trading Account	25	0
Building Control	Trading Account	4	0
Outdoor Education Partnership	Trading Account	61	0
Redundancy Strain Costs	Redundancy & pension	298	0
Insurance Provisions and MMI costs	Insurance Reserve	37	0
Fixed asset disposal	Capital receipts generation reserve	70	72
Capital Prog costs	Capital Investment Fund	127	0
TOTAL		1,595	1,113

3.7.2 The following reserve balances reflects capital and revenue movements during 2017-18 and provide a prediction on 2018-19 year end level based on existing approval levels and slippage levels above.

Account	2016/17	2017/18			2018/19		
	C/F	Net Draw on Reserve	Replenishment of Reserve	C/F	Net Draw on Reserve	Replenishment of Reserve	C/F
Sub Total Council Fund	-7,379,864	93,561	0	-7,286,303	0	0	-7,286,303
<i>Earmarked Reserves:</i>				0			
Sub-Total Invest to Redesign	-960,943	225,488	-138,888	-874,343	399,183	-170,681	-645,841
Sub-Total IT Transformation	-727,784	47,903	-55,000	-734,881	225,913	0	-508,969
Sub-Total Insurance and Risk Management	-1,083,295	36,879	0	-1,046,416	0	0	-1,046,416
Sub-Total Capital Receipt Generation	-347,511	70,372	0	-277,139	153,415	0	-123,724
Sub Total Treasury Equalisation	-990,024	0	0	-990,024	0	0	-990,024
Sub-Total Redundancy and Pensions	-795,297	298,484	0	-496,813	163,978	0	-332,835
Sub-Total Capital Investment	-775,522	127,186	0	-648,336	17,999	0	-630,337
Sub-Total Priority Investment	-1,000,171	468,420	0	-531,751	686,751	0	155,000
Sub-Total Other Earmarked Reserves	-1,123,847	321,721	-319,111	-1,121,237	86,471	-53,000	-1,087,766
Total Earmarked Reserves	-7,804,395	1,596,452	-512,999	-6,720,942	1,733,710	-223,681	-5,210,913
Total useable revenue reserves	-15,184,260	1,690,013	-512,999	-14,007,245	1,733,710	-223,681	-12,497,216

3.7.3 Earmarked reserves remain at limited levels unlikely to provide any material capacity/headroom to meet unanticipated volatility or significantly facilitate future service re-engineering and design.

With regard to the allocation of bottom line surplus to replenish reserves, the Sc151 officer's considered advice would be:

Priority Investment Fund	£155k (to extinguish ADM deficit)
Capital Receipts Generation Reserve	£70k (Capital receipts generation reserve part funds Valuation team's cost, and a top up is necessary to accord with their indicative 2018-19 costs.)
Balance Invest to Redesign Reserve	£448k
Total	£653k

3.7.4 Despite the proposed top ups, current predicted use of the Priority investment reserve means that it will likely expire by the end of 2018-19 as a funding source. Given the forecast use of earmarked reserves, Cabinet has previously approved a policy on earmarked reserves to ensure that earmarked reserves are focused on investment in areas where they can achieve most impact hence putting the balance for redistribution into "Invest to Redesign".

Schools Reserves

3.7.6 Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. The net effect of an individual school's annual surplus or deficit is shown in a ring-fence reserve for the particular school.

3.7.7 Our Fairer Funding Regulations adopted by Council and Governing Bodies have traditionally precluded governing bodies from planning for a deficit position. This was changed last year to allow licensed deficits where a recovery plan is agreed and followed. However this flexibility only extended as far as there being a collective schools reserve surplus i.e.

"There is an arrangement in place whereby schools are allowed to plan for a deficit budget funded by a collective surplus of school balances held by the authority on behalf of schools."

3.7.8 As a consequence of month 2 monitoring report, CYP colleagues prepared a Cabinet report requesting that this consideration be temporarily withdrawn i.e.

- *Members allow an exception to the breach of the Fair Funding (Scheme for Financing Schools) Regulations for the financial year 2017-18.*

On the basis that

- *The deficit projected at the beginning of the year was £608,000, at the end of month 2 this had reduced to £428,000. The collective deficit will not exceed the budget position of £608,000.*

That report went on to reassure Cabinet that,

The actions that the Local Authority have put in place are detailed below:

- *Immediate work with all schools has ensured that the month 2 report details an improvement in the school balances of £180,000.*
- *All schools with a significant deficit have met with the Chief Officer for Children and Young People and relevant Finance officers. At these meetings the schools have outlined how they are intent to recover from the deficit with timescales.*
- *All recovery plans will be monitored on a monthly basis and Headteachers and Governing Bodies are held to account to ensure all the savings will be made.*
- *Where applicable the Cabinet Members for Finance and CYP will meet with schools in the autumn term to gain reassurance and an understanding of each recovery plan.*

3.7.9 Pleasingly, the summary outturn position is £175k surplus,

Opening reserves 2017-18 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Difference reported from month 7 to outturn (Surplus)/Deficit	Outturn Position (Surplus)/Deficit	Projected carry forward at year end 2017-18 (Surplus)/Deficit
(268,786)	823,090	(729,529)	93,561	(175,225)

3.7.10 Schools month 7 prediction was a collective use of £823k of reserves. Whilst an extraordinary Welsh Government grant of £344k in the last quarter of 2017-18 is anticipated to have had a knock on beneficial effect to their reserves, schools outperformed their intentions, such that they only collectively used £94k of their reserves, which suggests quality of forecasting could be improved.

3.7.11 Appendix 2 indicates the forecast position for each school, together with an explanation of variance provided by CYP colleagues.

3.7.12 Interpreting that, 12 schools started the year in deficit, 3 schools came out of deficit and a differing 3 went into deficit. So at the end of the year 12 schools remain in deficit, and in tracking the movement of just the 15 schools involved, the collective net deficit position for those involved went up by £188k. The situation is particularly influenced by secondary schools, with Chepstow Comprehensive School significantly outperforming its recovery plan to end the year at £158k surplus, but for King Henry, Caldicot and Monmouth to end the year at £162k, £101k and £424k deficit respectively.

3.7.13 Collectively school balances at the beginning of the financial year amounted to £269,000 surplus, given the year end position the following pattern is apparent.

Financial Year-end	Net level of School Balances
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18	(175)

3.7.14 Whilst extraordinary funding from WG and beneficial revisions to budgeted draw on reserves will sustain the reserve situation for longer than currently predicted, it remains unlikely that the collective level of reserves will sustain the traditional annual draw by schools on reserves in recent years, which will add additional focus by schools to address the need to remain within budget going forward rather than passporting the consequences to their reserves, given that collective flexibility is now pretty much exhausted.

4 REASONS

4.1 To improve budget monitoring and forecasting information being provided to Senior Officers and Members.

5 RESOURCE IMPLICATIONS

5.1 As contained in the report.

6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

6.1 The decisions highlighted in this report have no equality and sustainability implications.

7 CONSULTEES

Strategic Leadership Team
All Cabinet Members
All Select Committee Chairs
Head of Legal Services

8 BACKGROUND PAPERS

Outturn Monitoring Reports (Period 4), as per the hyperlink provided

9 AUTHOR

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



Appendices (attached below)















Appendix 1 Mandated Savings Progress Report












Appendix 2 School Reserves

Appendix 1 – Savings Matrix






Disinvestment by Directorate 2017-18	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment
REVENUE MONITORING 2017-18	£000	£000	£000	£000	£000	£000	£000
Children & Young People	(395)	(395)	(395)	(395)	0	0	
Social Care & Health	(627)	(627)	(627)	(627)	0	0	
Enterprise	(84)	(84)	(83)	(84)	0	0	
Resources	(266)	(257)	(236)	(266)	0	0	
Chief Executives Units	(1,224)	(955)	(991)	(935)	(53)	(235)	
Corporate Costs & Levies	(118)	(118)	(98)	(98)	(20)	0	
Appropriations	(1,708)	(1,708)	(1,648)	(1,648)	0	(60)	
Financing	(885)	(885)	(885)	(885)	0	0	
DIRECTORATE Totals	(5,308)	(5,029)	(4,964)	(4,939)	(73)	(295)	











Ref	Children & Young People	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment
		£000	£000	£000	£000	£000	£000	£000
B20	ALN	(150)	(150)	(150)	(150)			
	Resources - Removal of training budget	(8)	(8)	(8)	(8)			
	Resources - Loss of 3 posts within support services	(70)	(70)	(70)	(70)			
	Resources - Removal of professional fees for the directorate	(8)	(8)	(8)	(8)			
	Early Years - To remove the funding provided to childcare voluntary organisations - Wales PPA, Mudiad Meithrin & Clybiau Plant Cymru Kids' Club.	(15)	(15)	(15)	(15)			
Page 109	ALN - Reduce the Independent Special School Budget	(50)	(50)	(50)	(50)			
	Other - Reduction in pupil numbers	(81)	(81)	(81)	(81)			
	Other - Reduction in contribution required by EAS	(14)	(14)	(14)	(14)			
	CHILDREN & YOUNG PEOPLE Budgeted Savings Total	(395)	(395)	(395)	(395)	0	0	









Ref	Social Care & Health	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment
		£000	£000	£000	£000	£000	£000	£000
34	Adult Social Care Service Transformation	(200)	(200)	(200)	(200)			
	Adults - Parity on pricing structure between day service and community meals	(25)	(25)	(25)	(25)			
	Adults - Development of café at Mardy park and establish private and business partnerships to develop catering services	(2)	(2)	(2)	(2)			
	Adults - Hire of Mardy Park outside or core hours	(1)	(1)	(1)	(1)			
Page 110	Adults - Restructure finance and benefits advice team to replace 2 posts on lower grades	(16)	(16)	(16)	(16)			
	Adults - Reduce IT Development budget	(10)	(10)	(10)	(10)			
	Adults - alignment of welfare benefits information, advice and assistance services	(13)	(13)	(13)	(13)			
	Adults - Detailed Contract Review	(56)	(56)	(56)	(56)			
	Adults - Terminate room rental in Abergavenny	(4)	(4)	(4)	(4)			
	Adults - Changing transport practice. two types of transport savings:- mileage incurred by staff to transport service users, and cost of providing transport	(27)	(27)	(27)	(27)			
	Adults - Review of transport policy to support people who can transport themselves	(32)	(32)	(32)	(32)			
	Adults - explore live in carer rather than hourly cost via care agency	(47)	(47)	(47)	(47)			
	Adults - income generation from MDMY	(3)	(3)	(3)	(3)			
	Public Protection - training provided during core time rather than over time	(7)	(7)	(7)	(7)			

Disinvestment by Directorate 2017-18		2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment
REVENUE MONITORING 2017-18		£000	£000	£000	£000	£000	£000	£000
	Public Protection - FSA Grant for food safety management work	(7)	(7)	(7)	(7)			
	Public Protection - Start charging for health export certificates	(3)	(3)	(3)	(3)			
	Public Protection - food standards sampling grant	(1)	(1)	(1)	(1)			
	Public Protection - Implement "buy with confidence" trader approval scheme	(3)	(3)	(3)	(3)			
	Public Protection - Regional Animal Health Coordination	(3)	(3)	(3)	(3)			
	Public Protection - WHoTS Coordination - recharge	(3)	(3)	(3)	(3)			
Page 111	Public Protection - Set up Primary Authority Partnership scheme for TS proactive work	(2)	(2)	(2)	(2)			
	Public Protection - Restructure of licensing team	(6)	(6)	(6)	(6)			
	Public Protection - Increase charge for marriages at Old Parlour Usk	(1)	(1)	(1)	(1)			
	Public Protection - Increase cost of certificates of "priority certificates"	(6)	(6)	(6)	(6)			
	Social Services income charge rise	(150)	(150)	(150)	(150)			
SOCIAL CARE & HEALTH Budgeted Savings Total		(627)	(627)	(627)	(627)	0	0	

Ref	Enterprise	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment
		£000	£000	£000	£000	£000	£000	£000
	Development Plans - Reduce 'Premises' budget li	(2)	(2)	(2)	(2)			
	Development Plans - End membership of Severn I	(3)	(3)	(3)	(3)			
	Development Plans - Reduce 'Photocopying' budg	(2)	(2)	(2)	(2)			
	Development Plans - Reduce 'Postage' budget lin	(1)	(1)	(1)	(1)			
	Development Plans - Reduce 'Advertising' budget	(1)	(1)	(1)	(1)			
	Development Plans - Reduce 'Professional Fees' k	(8)	(8)	(8)	(8)			
Page 112	Development Management - Additional fee income from pre-application advice fee charges	(5)	(5)	(5)	(5)			
	Development Management - Move towards paperless planning files and consultations; reduction in copying and printing and postage	(5)	(5)	(5)	(5)			
	Development Management - Additional fee income from i) a new Fast Track pre-application advice service and ii) a new Fast Track applications service for householder	(2)	(2)	(2)	(2)			
	Development Management - Fee income from a new Completion certificates service for developers or solicitors/ householders buying and selling their home	(2)	(2)	(2)	(2)			
	Development Management - Reduce Professional & Specialist Fees budget (D080)	(9)	(9)	(9)	(9)			

Disinvestment by Directorate 2017-18		2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment
REVENUE MONITORING 2017-18		£000	£000	£000	£000	£000	£000	£000
	Building Control - Reduce supplies and services budget (£33k) by £2,638	(3)	(3)	(3)	(3)			
	Housing - Decision already made to end the joint/shared Housing Solutions Service with TCBC and re-align the service to an MCC only focus.	(20)	(20)	(20)	(20)			
	Housing - Replace Flare grants software with Ferret software	(6)	(6)	(6)	(6)			
	Housing - Continue to tackle the use of B & B through increased prevention and private sector housing development	(8)	(8)	(8)	(8)			
	Housing - Re-structure of Housing Renewal team	(6)	(6)	(6)	(6)			
ENTERPRISE Budgeted Savings Total		(84)	(84)	(83)	(84)	0	0	

Disinvestment by Directorate 2017-18		2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment
REVENUE MONITORING 2017-18		£000	£000	£000	£000	£000	£000	£000
	Fleet - To withdraw from renting Severn Bridge Social Club car park, Bulwark.	(9)	(9)	(9)	(9)			
	Fleet - To decrease general contracts maintenance budget	(5)	(5)	(5)	(5)			
	Fleet - Proactively market the scheme with a view to increase numbers.	(7)	(7)	(7)	(7)			
	Fleet - Restructure/redesign within the Transport Section (posts)	(9)	(9)	(9)	(9)			
	Fleet - Savings on spare parts	(12)	(12)	(12)	(12)			
Page 115	Fleet - Savings on consumables & outside contract work	(21)	(21)	(21)	(21)			
	Waste - Charge schools for the full cost of their waste collections and disposal	(30)	0	0	0		(30)	
	Waste - Reduce scheduled cuts and maintenance of Monmouth sports grounds to level of original lease agreement	(15)	0	0	0	(15)		
	Waste - Project Gwyrdd annuity payment from WG for 17-18	(70)	(70)	(70)	(70)			
	Waste - Increase bulky waste collection charges by 50% (£12 to £18) and reduce our contribution to Homemakers accordingly	(10)	(10)	(10)	(10)			

Chief Executive's Unit	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Value of Saving forecast at Month 7 £000	Value of Saving achieved at Outturn £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000
Waste - Additional income from trade waste	(10)	0	0	0		(10)	
Waste - Managing impact of reduced activity/ income on tree works	(24)	(24)	(24)	0	(24)		
Highways - reduction in maintenance budget to reflect impact of investment in new (led) lanterns	(8)	(8)	(8)	(8)			
Highways - reduce pumping station maintenance budget	(2)	(2)	(2)	(2)			
Highways - rsl veb1000 recycling plant : in place and operational saving	(14)	(14)	(14)	(14)			
Highways - welfare units : in place and operational saving	(10)	(10)	(10)	(10)			
Highways - overtime back office : adjust start and finish times	(2)	(2)	(2)	(2)			
Highways - sim cards : review and reduce where not required	(2)	(2)	(2)	(2)			

Disinvestment by Directorate 2017-18		2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment
REVENUE MONITORING 2017-18		£000	£000	£000	£000	£000	£000	£000
	Highways - review all wales tenders : subject to 2nd layer of reducing cost	(2)	(2)	(2)	(2)			
	Highways - cross hire within ops : use in house kit before hire	(1)	(1)	(1)	(1)			
	Highways - external hire	(2)	(2)	(2)	(2)			
	Highways - fill structure : release additional hours being worked	(3)	(3)	(3)	(3)			
	Highways - reduce the amount of scrim investigations undertaken each year.	(3)	(3)	(3)	(3)			
Page 117	Highways - reduce the amount of revenue structures maintenance undertaken each year.	(41)	(41)	(41)	(41)			
	Highways - to increase road closure charges by 50% and recover costs against appropriate capital scheme	(20)	(20)	(20)	(20)			
	Highways - to increase skips, scaffolding licences and street name & numbering fee by 50% in 2016/ 2017	(10)	(10)	(10)	(10)			
	Highways - to extend charges to other services (to be identified by working group)	(7)	(7)	(7)	(7)			
	Property Services - Train existing staff to carry out risk assessments	(25)	(25)	(25)	(25)			
	Property Services - To withdraw the 60% of the Corporate Procurement Training budget.	(6)	(6)	(6)	(6)			
	Property Services - Non replacement of Shared Facilities Manager, following resignation. (£11,500 saving)	(7)	(7)	(7)	(7)			

Disinvestment by Directorate 2017-18

REVENUE MONITORING 2017-18

2017/18
Budgeted
Savings

£000

Value of
Saving
forecast at
Month 2

£000

Value of
Saving
forecast at
Month 7

£000

Value of
Saving
achieved at
Outturn

£000

Delayed
Savings














£000












Savings deemed
Unachievable
YTD








£000



Traffic Light based Risk
Assessment




£000



	Property Services - Mouton House Restructure	(19)	(19)	(19)	(19)			
	Property Services - Increase School meal price from £2.00 to £2.10 (5p already in MTFP)	(21)	(21)	(21)	(21)			
	Property Services - flexible retirement, reduced 5 days to 3	(11)	(11)	(11)	(11)			
	Property Services - Vehicles – reduction in leasing costs for courier vehicles	(2)	(2)	(2)	(2)			
	Property Services - Press Notices – cease advertising Bank Holiday office closures in the Press	(3)	(3)	(3)	(3)			
	Property Services - Refreshment provision – cease providing refreshment supplies	(1)	(1)	(1)	(1)			
Page 119	Property Services - Increase the time between risk assessments for Legionella, Asbestos, Fire & Glazing from the current 2/3 years to minimum of 5 years	(10)	(10)	(10)	(10)			
	Property Services - 10% reduction in corporate building maintenance reactive budget	(54)	(54)	(54)	(54)			
	Property Services - Realignment of budget for previous efficiencies achieved	(15)	(15)	(15)	(15)			
	Recycling Plant	(70)	(70)	(70)	(70)			
	Whole Place	(100)	0	(35)	(35)	0	(65)	
	Pension Contribution Savings	(160)	(160)	(160)	(160)			
	Procurement Savings	(100)	0	0	0		(100)	
	CHIEF EXECUTIVES' UNIT Budgeted Savings Total	(1,224)	(955)	(991)	(935)	(53)	(235)	

Ref	Resources	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment
		£000	£000	£000	£000	£000	£000	£000
	Finance - Delete two part time vacant posts from structure (Cashiers & Systems)	(31)	(31)	(31)	(31)			
	Finance - Revise and reduce the structure of the Benefits Shared service thereby reducing MCC's annual contribution	(20)	(20)	(20)	(20)			
	Finance - Reduce the Sections budget for postage costs to reflect the planned shift to automation, email and self service through the web	(6)	(6)	(6)	(6)			
Page 120	Finance - Release savings from Security Carrier tender evaluation	(10)	(10)	(10)	(10)			
	Finance - Cancel contract for folding machine maintenance to reflect reduced mail in 5.3 and planned moved to outsourcing of mail to Canon	(4)	(4)	(4)	(4)			
	Finance - Savings in insurance fees and studies	(30)	(30)	(30)	(30)			
	Finance - Cut the budget for consultancy across the Division	(22)	(22)	(22)	(22)			
	Finance - Reduce the number of cases referred to external Enforcement Agents	(5)	(5)	(5)	(5)			
	Finance - Training budget internal audit	(7)	(7)	(7)	(7)			
	Digital - Reduction in Enterprise Agreement	(13)	(13)	(13)	(13)			
	Digital - General reduction in laptop replacement budget	(30)	(30)	(30)	(30)			

Disinvestment by Directorate 2017-18		2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment
REVENUE MONITORING 2017-18		£000	£000	£000	£000	£000	£000	£000
	Digital - Specific Server virtual management software no longer required, using existing software to remove cost	(23)	(23)	(23)	(23)			
	Estates - Removal of Assistant Markets Officer Post	(23)	(18)		(23)	0		
	Estates - Community Development Officer - 3 to 2 days	(7)	(3.5)		(7)	0.0		
	Estates - Facilities Officer reduced hours	(16)	(16)	(16)	(16)			
	Estates - Savings from Solar Farm	(9)	(9)	(9)	(9)			
	People, HR - Generate income from selling training	(5)	(5)	(5)	(5)			
	People, HR - Stop producing paper payslips for schools and move to electronic payslips	(5)	(5)	(5)	(5)			
	RESOURCES Budgeted Savings Total	(266)	(257)	(236)	(266)	0	0	

Ref	Corporate Costs & Levies	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Value of Saving forecast at Month 7 £000	Value of Saving achieved at Outturn £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000
	Crematoria Income	(98)	(98)	(98)	(98)			
	Grant Audit Fees	(20)	(20)	0	0	(20)		
	CORPORATE COSTS Budgeted Savings Total	(118)	(118)	(98)	(98)	(20)	0	

Ref	Appropriations	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Value of Saving forecast at Month 7 £000	Value of Saving achieved at Outturn £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000
	MRP Supported borrowing	(1,536)	(1,536)	(1,536)	(1,536)			
	Headroom in appropriations	(12)	(12)	(12)	(12)			
	Solar Farm income	(160)	(160)	(100)	(100)		(60)	
	APPROPRIATIONS Budgeted Savings Total	(1,708)	(1,708)	(1,648)	(1,648)	0	(60)	

Ref	Financing	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Value of Saving forecast at Month 7 £000	Value of Saving achieved at Outturn £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000
	Reduced demand for CTRS payments	(370)	(370)	(370)	(370)			
	CT Base, rate & number of properties	(515)	(515)	(515)	(515)			
	FINANCING Budgeted Savings Total	(885)	(885)	(885)	(885)	0	0	

Appendix 2 – Individual Schools Reserves

	Opening reserves 2017-18 (Surplus)/ Deficit	In Year position at Month 7 (Surplus)/ Deficit	Difference reported from month 7 to outturn (Surplus)/ Deficit	Outturn Position (Surplus)/ Deficit	Closing Reserves at year end 2017-18 (Surplus)/ Deficit	Notes
Abergavenny cluster						
King Henry VIII Comprehensive School	139,355	107,272	(84,167)	23,105	162,460	£24k Welsh Government Schools Revenue Maintenance Grant ; over estimation of potential supply costs coupled with the good attendance record of staff; Actual income generated through Education Achievement Service /Pioneer School to School work eventually exceeded £160k and Parent support for payment for sports transport.
Cantref Primary School	(52,766)	12,043	(25,242)	(13,199)	(65,965)	£7k Welsh Government Schools Revenue Maintenance Grant. £5k additional bids approved from EAS for various project work. £7k savings achieved against premises related budgets, plus £2.5k additional band funding received in Q4 to support pupils with ALN.
Deri New Primary School	(27,297)	25,586	(38,289)	(12,703)	(40,000)	£9k Welsh Government Schools Revenue Maintenance Grant ; £11k Education Achievement Service Income received after October 2017; A saving against actual costs of £9k on Premises costs relating to Building Maintenance, and Utilities (Gas & Electricity) £18k of unallocated grants at Month 7 (new Head teacher from 1/9/17)
Gilwern Primary School	(39,636)	5,729	(18,346)	(12,617)	(52,253)	£7k Welsh Government Schools Revenue Maintenance Grant. Teacher estimated within forecast as M6 on teachers pay spine actually paid on M1 as Maternity Leave cover.
Goytre Fawr Primary School	(25,371)	25,370	(10,802)	14,568	(10,803)	£7k Welsh Government Schools Revenue Maintenance Grant ; £7k of Grants (Education Improvement Grant and Pupil Development Grant) unallocated in October 2017 but utilised against existing staff/resources expenditure.

Llanfoist Fawr Primary School	(68,056)	42,110	(23,634)	18,476	(49,580)	£7k Welsh Government Schools Revenue Maintenance Grant; £18k unallocated Grants (Education Improvement Grant and Pupil Development Grant) unallocated at October 2017 but subsequently the majority allocated against Support Staff costs.
Llantillio Pertholey CiW Primary School (VC)	(20,967)	20,765	(4,238)	16,527	(4,440)	
Llanvihangel Crucorney Primary School	3,117	13,370	(16,998)	(3,628)	(511)	£4k Welsh Government Schools Revenue Maintenance Grant ; £16k of unallocated grants (Small and Rural Schools, Education Improvement Grant and Pupil Development Grant) at M7 some of which utilised against existing staff (Head teacher release) and resources costs.
Our Lady and St Michael's RC Primary School (VA)	(45,505)	45,417	7,172	52,589	7,084	
Ysgol Gymraeg Y Fenni	(48,966)	19,883	(29,882)	(9,999)	(58,965)	£8k Welsh Government Schools Revenue Maintenance Grant ; £7k Education Achievement Service Income; £7k underspend on Supplies and Services due to revised spending plans ; £3k unutilised spend on Building Maintenance and £5k unallocated grant as at M7 subsequently allocated to existing support staff costs.
Caldicot cluster						
Caldicot Comprehensive School	(33,736)	169,544	(35,171)	134,373	100,637	£32k Welsh Government Schools Revenue Maintenance Grant
Archbishop Rowan Williams CiW Primary School (VA)	(49,657)	20,226	(50,024)	(29,798)	(79,455)	£7k Welsh Government Schools Revenue Maintenance Grant; £18k Head teacher Secondment Savings ; £13k unallocated Grants (Education Improvement Grant and Pupil Development Grant) at M7 subsequently allocated to Support Staff costs.£4k unrequired Building Maintenance allocation: Two Teachers on Welsh Sabbaticals during the Spring Term.
Castle Park Primary School	46,115	10,093	(12,549)	(2,456)	43,659	£7k Welsh Government Schools Revenue Maintenance Grant and additional ALN band funding to support pupils.
Dewstow Primary School	(90,125)	(3,019)	(12,482)	(15,501)	(105,626)	£7k Welsh Government Schools Revenue Maintenance Grant
Durand Primary School	(53,931)	8,962	(26,696)	(17,734)	(71,665)	£7k Welsh Government Schools Revenue Maintenance Grant plus £5k additional band funding received in Q4 to support pupils with ALN. Supplies and services budget came in on target when a £6k overspend was previously anticipated at Month 7.

Magor CiW Primary School (VA)	(35,179)	44,475	9,931	54,406	19,227	
Rogiet Primary School	(34,184)	12,365	(4,326)	8,039	(26,145)	
Undy Primary School	50,037	(19,041)	(2,775)	(21,816)	28,221	
Ysgol Gymraeg Y Ffin	67,410	27,835	(57,629)	(29,794)	37,616	£6k Welsh Government Schools Revenue Maintenance Grant plus additional bids approved to the value of £10k from the EAS for various project work. In addition, a considerable amount of PDG and EIG was realigned in the latter stages of the financial year against expenditure previously expected to have been incurred against school budget.
Chepstow cluster						
Chepstow Comprehensive School	81,068	(97,588)	(141,936)	(239,524)	(158,456)	Income was far higher than projected due to higher than anticipated claims on the absence insurance that is in place (sickness absence unpredictable) and EAS projects that we were unaware of at the start of the financial year. Savings on utilities: Water and Gas. Savings on ancillary staff as a number of TLA posts could not be filled but conversely this was then spent on supply. In order to be consistent Chepstow School applied the same accruals/prepayment methodology as in the last financial year as the school wish to use a standard set of budgetary principles. As the school was projecting favourably in month 7, that accruals/prepayment methodology was not applied at that point to the forecasted outturn as the main prepayment that has such an effect on the projected year end is exam entries and in month 7 we were only just enrolling for Welsh BACC and BTEC's.
Pembroke Primary School	(8,826)	1,063	7,582	8,645	(181)	
Shirenewton Primary School	(87,369)	(21,568)	(9,662)	(31,230)	(118,599)	
St Mary's Chepstow RC Primary School (VA)	13,192	(16,225)	(3,022)	(19,247)	(6,055)	
The Dell Primary School	(46,094)	21,637	2,292	23,929	(22,165)	
Thornwell Primary School	20,534	(27,341)	16,372	(10,969)	9,565	Long term sickness absence of two teachers and one Support Staff member during late Autumn 2017 and Spring 2018 terms. Additional Supplies and Services costs due to increased pupil numbers.

Monmouth cluster						
Monmouth Comprehensive School	100,573	265,000	58,378	323,378	423,951	Supply cover costs were an additional £30k more than anticipated due to an increase in cover requirements owing to changes to public examinations specifications, with the introduction of non-examination assessments and orals, and the need to maintain continuity of learning in the absence of staff in key areas. General maintenance and repair of IT equipment not being taken through to the new school incurred costs of £4.5k. Supply costs and professional fees to cover other staff related absences resulted in increased costs of £10,695. A budgeted shortfall in a secondment position also created a shortfall of £12k.
Cross Ash Primary School	(45,620)	9,096	(22,832)	(13,736)	(59,356)	£7k Welsh Government Schools Revenue Maintenance Grant; Maternity Leave of an established and experienced member of the teaching staff covered by a less expensive supply teacher.
Kymin View Primary School	(10,294)	(5,580)	(18,783)	(24,363)	(34,657)	£6k Welsh Government Schools Revenue Maintenance Grant, plus additional bids approved from EAS for various project work.
Llandovery Primary School	9,736	7,161	(4,448)	2,713	12,449	
Osbaston CiW Primary School (VC)	(18,570)	18,079	(144)	17,935	(635)	
Overmonnow Primary School	(3,959)	16,849	(41,279)	(24,430)	(28,389)	£11k Welsh Government Schools Revenue Maintenance Grant ; £26k Education Achievement Service Income received in February and March 2018 ; £8k Education Improvement Grant and Pupil Development Grant unallocated at Month 7 subsequently allocated to existed Support Staff costs.
Raglan CiW Primary School (VC)	111,977	54,207	(18,441)	35,766	147,743	£7k Welsh Government Schools Revenue Maintenance Grant, plus additional bids approved from EAS for various project work.
Trellech Primary School	(85,762)	10,271	(12,159)	(1,888)	(87,650)	£6k Welsh Government Schools Revenue Maintenance Grant, plus £7k additional band funding received in Q4 to support pupils with ALN.
Usk CiW Primary School (VC)	(56,108)	41,235	(48,047)	(6,812)	(62,920)	£8k Welsh Government Schools Revenue Maintenance Grant ; £13k unrequired Building Maintenance allocation at year end ; £23k Education Achievement Service Income received in February and March 2018 ; Allocation of Administrative and Caretaking costs to the Community Education Centre Budget.

	(344,862)	865,281	(672,276)	193,005	(151,857)	
Special Schools						
Mounton House Special School	142,417	(75,670)	(33,163)	(108,833)	33,584	£4k Welsh Government Schools Revenue Maintenance Grant, £10k savings achieved against premises related budgets. £20k cluster funding received, where budgeted spend will be incurred in 18-19.
E095 Pupil Referral Unit	(66,340)	33,479	(24,090)	9,389	(56,951)	£13k PDG awarded to the PRU via the EAS late in the financial year which was aligned to existing expenditure already incurred. In addition, grant funding linked to ALN innovation was awarded and AWPU reclaims were utilised to support provision put in place for those pupils.
	76,077	(42,191)	(57,253)	(99,444)	(23,367)	
	(268,786)	823,090	(729,529)	93,561	(175,225)	

Appendix 3 – Capital Slippage Analysis

SELECT	Budget Holder	SCHEME TITLE	Year End Slippage Request	Amount Proposed for endorsement	Amount endorsed but proposed to be added back expenditure year is certain	Amounts not proposed for endorsement
CYP	Simon Kneafsey	New Monmouth Comp – 21c Schools	-9,281,832	-9,281,832		
CYP	Simon Kneafsey	New Caldicot School – 21c Schools	-4,627,357	-4,627,357		
CYP	Simon Kneafsey	Welsh Medium Secondary (Joint Project)	-1,000,000	-1,000,000		
CYP	Rob O'Dwyer	Chepstow School – Removal & Replacement of Asbestos Cladding Panels	-15,000	-15,000		
CYP	Rob O'Dwyer	Usk Primary: Remodel Entrance, Office & Shower	-26,469	-26,469		
CYP	Sian Hayward	Schools ICT Outline Business Case	-351,233	-351,233		
SCOMM	Rob O'Dwyer	Generic - Asbestos removal	-27,281	0		-27,281
SCOMM	Rob O'Dwyer	Generic - Radon response	-7,610	0		-7,610
SCOMM	Rob O'Dwyer	Aber Castle - Refurb to prolong & cons ancient walls	-22,492	-22,492		0
SCOMM	Rob O'Dwyer	Monitor & update fire & intruder alarms	-3,910	-3,910		
SCOMM	Rob O'Dwyer	Generic - Fire Safety remedial works to ensure compliance	-5,391	0		-5,391

		with 2005 regulatory reform			
SCOMM	Rob O'Dwyer	Abergavenny LC - Replace CHP Plant	-21,240	-21,240	
SCOMM	Rob O'Dwyer	Hilston Park: Internal Areas	-7,500	0	-7,500
SCOMM	Rob O'Dwyer	Chepstow Museum: Repair External Lime Render	-12,584	-12,584	
SCOMM	Rob O'Dwyer	Generic - Rectification after Fixed Wire Testing	-6,756	0	-6,756
SCOMM	Rob O'Dwyer	Shire Hall – Emergency Structural Investigation and repairs to staircase	-7,500	-7,500	
SCOMM	Deb Hill -Howells	Community Hubs	-51,122	0	-51,122
SCOMM	Dan Davies	Caldicot Castle Kitchen	-10,071	0	-10,071
SCOMM	Mike Moran	Monmouth Sports Ground Drainage	-1,902	0	-1,902
SCOMM	Ben Winstanley	Non County Farms Fixed Asset Disposal Costs	-84,874	-84,874	
SCOMM	Roger Hoggins	Car Park Granville St & Wyebridge St	-152,214	-152,214	
SCOMM	Mathew Lewis	Structural Repairs - PROW	-22,647	-22,647	
SCOMM	Paul Keeble	Footway Reconstruction	-99,445	-99,445	
SCOMM	Paul Keeble	Carriageway Resurfacing - Various	-52,562	-52,562	
SCOMM	Paul Keeble	Safety Fence Upgrades	-71,370	-71,370	
SCOMM	Mark Davies	Signing Upgrades And Disabled Facilities	-23,091	-23,091	
SCOMM	Mark Davies	Road Safety & Trafficman Programme	-75,088	-75,088	
SCOMM	Sian Hayward	Purchase of Sharepoint and Active Directory Licences	-5,572	0	-5,572
SCOMM	Lisa Widenham	Upgrade to the Agresso system	-9,888	-9,888	

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SCOMM	Lisa Widenham	Provision of online facilities Revenue's section	-13,000	-13,000	
SCOMM	Shirley Wiggam	Low Cost Home Ownership	-112,293	0	-112,293
SCOMM	Deb Hill-Howells - Ben Winstanley	County Farms Maintenance & Reinvestment	-30,000	-30,000	
SCOMM	Mike Moran	Sc 106 Multi Use Games Area Bayfield Open Space	-5,470	0	-5,470
SCOMM	Mike Moran	S106 – Recreation Croesonen	-6,129	0	-6,129
SCOMM	Debbie McCarty	S106 – Town Centre Partnership	-1,700	-1,700	
SCOMM	Mike Moran	S106 Crick Wildlife Garden (Caer Off Site)	-10,866	-10,866	
SCOMM	Mike Moran	S106 Mardy Allotments (Croesonen)	-18,900	0	-18,900
SCOMM	Mike Moran	S106 Croesonen Play Park (Croesonen)	-14,527	-14,527	
SCOMM	Mike Moran	S106 Monmouth Petanque Floodlights (Monmouth)	-2,493	0	-2,493
SCOMM	Mike Moran	S106 Monmouth Gateway (Monmouth)	-20,000	0	-20,000
SCOMM	Mike Moran	S106 St Thomas Church Refurb (Monmouth)	-2,000	-2,000	
SCOMM	Mike Moran	S106 Wyesham Community Woodland (Monmouth)	-21,000	-21,000	
SCOMM	Mike Moran	S106 Destination Play Area (Monmouth)	-85,000	0	-85,000
SCOMM	Mike Moran	S106 Drybridge Nature Park (Monmouth)	-9,537	-9,537	
SCOMM	Mike Moran	S106 Cricket Wicket and Changing Rooms (Little Mill)	-20,000	-20,000	
SCOMM	Mike Moran	S106 Little Mill Trail (Little Mill)	-27,720	0	-27,720
SCOMM	Mike Moran	S106 Gilwern Fitness Equip (Ty Mawr)	-7,065	0	-7,065

SCOMM	Mike Moran	S106 Gilwern Petanque Terrain (Ty Mawr)	-3,960	0	-3,960
SCOMM	Mike Moran	S106 Heaven Scent Garden (Ty Mawr)	-945	0	-945
SCOMM	Mike Moran	S106 Clydach Playing Field Barrier (Ty Mawr)	-70	-70	
SCOMM	Mike Moran	S106 Gilwern Bowling Green (Ty Mawr)	-496	-496	
SCOMM	Mike Moran	S106 Gilwern Playing Field Improvements (Ty Mawr)	-10,190	-10,190	
SCOMM	Mike Moran	S106 Incredible Edible Project (Ty Mawr)	-1,215	-1,215	
SCOMM	Mike Moran	S106 - Upgrading play area Caldicot Castle	-8,935	-8,935	
SCOMM	Mike Moran	Rogiet Playing Field Car Park and Magor GRIP study	-40,084	-40,084	
SCOMM	Mike Moran	S106 Gilwern Towpath Upgrade (Cae Meldon)	-18,000	-18,000	
SCOMM	Mike Moran	S106 Gilwern Scooter Park (Cae Meldon)	-21,555	-21,555	
SCOMM	Mike Moran	S106 Gilwern Comm Centre Heating (Cae Meldon)	-11,475	-11,475	
SCOMM	Mike Moran	S106 Gilwern OEC (Cae Meldon)	-56,802	-56,802	
SCOMM	Mike Moran	New Playing Pitches (Clydach Juniors – Cae Meldon)	-53,000	-53,000	
SCOMM	Mike Moran	S106 Llanelly Hill Welfare Car Park (Cae Meldon)	-22,441	-22,441	
SCOMM	Mike Moran	Cae Meldon S106 Off Site Recreation	-23,020	-23,020	
E&D	Rob O'Dwyer	Replacement Cattle Market	-183,357	-183,357	
E&D	Amy Longford	Caerwent House, Major Repairs	-50,800	-50,800	
E&D	Ben Winstanley	Solar Farm – Oak Grove	-505,740	-505,740	

E&D	Deb Hill Howells	Sc106 Woodstock Way Linkage Scheme	-226,504	-226,504		
			-17,730,290	-17,317,110	-214,712	-198,468

SUBJECT:	WELSH CHURCH FUND WORKING GROUP
MEETING:	Cabinet
DATE:	06th June 2018
DIVISIONS/WARD AFFECTED:	All

1. PURPOSE:

- 1.1 The purpose of this report is to make recommendations to Cabinet on the Schedule of Applications for the Welsh Church Fund Working Group meeting 1 of the 2018/19 financial year held on the 19th April 2018.
- 1.2 The scheduled meeting 2 was cancelled

2. RECOMMENDATION:

- 2.1 We resolved that the following grants be awarded as per the schedule of applications.

SCHEDULE OF APPLICATIONS CONSIDERED 2018/19 – MEETING 1.

- 1. **St Stephan's & St Tathan's Church, Caerwent** requested £2,430 for the repair and re-establishment of parts of the west boundary wall of the churchyard.

Recommendation: £1,500 was awarded towards the cost of repairing the boundary wall due to Health and Safety and environmental concerns.

- 2. **Monmouthshire District Scout Council** requested £2,000 to assist in replacing the water supply to the scout's campsite (tudor.cule) as the existing water supply has been condemned.

Recommendations: £2,000 was awarded to assist in the establishment of a new direct water connection to the campsite.

- 3. **Friends of Llanfoist Chapel of Peace, Llanfoist Cemetery** requested £9,396 required for essential repairs to the Chapel.

Recommendation: £1,000 was awarded to contribute to essential repairs to the fabric of the church.

- 4. **Tintern Festivals Association** requested £1,000 to assist in the funding of a Peace Festival at Tintern Abbey in September 2018 in support of the UN designated International Day of Peace.

Recommendation: £1,000 was awarded towards the cost of staging this international event.

- 5. Music in Hospitals & Care Cymru** requested £558 to assist in the running of 2 free live music concerts in healthcare establishments (Hospitals, Hospices, Care Homes or Special Schools) in Monmouthshire.

Recommendation: £558 was awarded to promote and provide events that would benefit those that require additional care within the Monmouthshire community.

4. OPTIONS APPRAISAL

Options available to the Committee are driven by the information only supplied by the applicants

5. EVALUATION CRITERIA

No evaluation criteria is applicable to the grant awarded by the trust

6. REASONS

A meeting took place on Thursday 19th April 2018 of the Welsh Church Fund Cabinet Working Group to recommend the payment of grants as detailed in the attached schedule (Appendix 2).

County Councillors in attendance:

County Councillor A. Webb (Chair)
County Councillor S. Woodhouse
County Councillor B. Strong

OFFICERS IN ATTENDANCE:

D. Jarrett Central Finance Officer
W Barnard Committee Administration

6.1 DECLARATIONS OF INTEREST

Item 3, No.4 Tintern Festivals Association: County Councillor A. Webb declared a personal, non-prejudicial interest as the applicants were known to her. She took no part in the decision.

6.2 APOLOGIES FOR ABSENCE

County Councillor D. Evans (Vice Chair)

6.3 CONFIRMATION OF REPORT OF PREVIOUS MEETING

The minutes of the meetings of the Welsh Church Fund Working Group held on Thursday 1st March 2018 were confirmed as an accurate.

.RESOURCE IMPLICATIONS

A total of £6,058 was allocated at Meeting 1 of the Welsh Church Fund Committee. A remaining balance of £36,739 will be carried forward for distribution within the 2018-19 financial year.

7. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

There are no Future Generations, equality, safeguarding, corporate parenting or sustainable development implications directly arising from this report. The assessment is contained in the attached appendix.

8. CONSULTEES:

Senior Leadership Team
All Cabinet Members
Head of Legal Services
Assistant Head of Finance
Central Finance Management Accountant

9. BACKGROUND PAPERS:

Welsh Church Fund Schedule of Applications 2017/18– Meetings 1 (Appendix 2)

10. AUTHOR:

David Jarrett – Senior Accountant – Central Finance Business Support

11. CONTACT DETAILS

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WELSH CHURCH FUND - APPLICATIONS 2018/19
MEETING 1: 19th April 2018

APPENDIX 2

<u>ORGANISATION</u>	<u>ELECTORAL DIVISION</u>	<u>Signed by Councillor</u>	<u>REQUEST</u>	<u>DECISION</u>	<u>NATURE OF REQUEST</u>	<u>APPROX COST</u>	<u>DATE Received</u>	<u>D of I*</u>	<u>Comments</u>
NEW APPLICATIONS AWAITING DECISION			£	£		£			
1 St Stephan's & St Tathan's Church, Caerwent	Caerwent	P.Murphy	£2,430	£1,500	Funding required to repair parts of the west boundary wall of the churchyard adjacent to a field inhabited by livestock and to prevent egress / access to the churchyard	£2,430	06/03/2018	No	Any further collapse of the wall could become a safety hazard not only for the neighbouring livestock but also for relatives tending graves in the vicinity of the wall
2 Monmouthshire District Scout Council	Llanelly hill	Jane Pratt	£2,000	£2,000	Funding required to replace the water supply to the scouts campsite (tudor.cule) as the existing water supply has been condemned due to excess mineral content	c.30,000	13/02/2018	No	Water is currently connected from a pub 3/4 of a mile downriver from the site and use of the site has dramatically reduced.
3 Friends of Llanfoist Chapel of Peace, Llanfoist Cemetery	Cantref	Paul Jordan	£9,396	£1,000	Funding assistance required for essential repairs to the Chapel in order to safeguard the building for future generations	£48,715	10/02/2018	No	The chapel is open everyday for visitors to the Cemetery and is used by victors for quite reflection and as a sanctuary of peacefulness
4 Tintern Festivals Association	St Arvans with Tintern	A Webb	£1,000	£1,000	Assistance required in funding a Peace Festival at tintern Abbey in September 2018 in support of the UN designated International Day of Peace	£24,250	10/02/2018	Yes	The festival will involve performing artists and activities from around the world in order to foster a climate of peace between peoples, communities and individuals.
5 Music in Hospitals & Care Cymru	Castle	M Powell	£558	£558	Funding required to provide 2 free live music concerts in healthcare establishments (Hospitals, Hospices, Care Homes or Special Schools) in Monmouthshire	£558	20/03/2018	No	The purpose of the concerts are to improve the quality of life for elderly, unwell, vulnerable and disabled people living in long-term healthcare venues.
Late Application									
Deferred Applications									
SUB TOTAL Meeting 1			£15,384	£6,058	OTHER INFORMATION :				
Meeting 1 Award				6,058					
Meeting 2 Award				0					
Meeting 3 Award				0					
Meeting 4 Award				0					
Meeting 5 Award				0					
Meeting 6 Award				0					
Meeting 7 Award				0					
TOTAL AWARDED FOR 2018/19 TO DATE				6,058					
BUDGET 2018/19				31,400					
BALANCE B/F TO 2018/19				£11,397					
Monmouthshire's Allocation for 2018/19				£42,797					
REMAINING BALANCE			£36,739						

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Future Generations Evaluation (Includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer D Jarrett</p> <p>Phone no: 4657</p> <p>E-mail: davejarrett@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To assess the Grant Allocation Processes of the Welsh Church Fund for the meeting of the Welsh Church Fund Working Group on the 19th April 2018</p>
<p>Name of Service</p> <p>Finance</p>	<p>Date Future Generations Evaluation</p> <p>19th April 2018</p>


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1 Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been / will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Positive in relation to developing the skills and proficiencies of applicants</p>	
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>Positive in the teaching of biodiversity and ecological issues through the provision of educational resources</p>	
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Positive in that people's mental health and physical health is enhanced by a collective activity / process.</p>	

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been / will be taken to mitigate any negative impacts or better contribute to positive impacts?
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Positive in relation to connecting the community and its constituents	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Positive in relation to social well-being. Also, helping the environmental well-being of the community through preservation of history.	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Positive in relation to the promotion of culture in the community	
A more equal Wales People can fulfill their potential no matter what their background or circumstances	Positive in respect of helping people to achieve their potential irrespective of individual circumstances	

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 Balancing short term need with long term and planning for the future	Not applicable to Welsh Church Fund Trust	

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Collaboration Working together with other partners to deliver objectives</p>	Not applicable to Welsh Church Fund Trust	
 <p>Involvement Involving those with an interest and seeking their views</p>	Not applicable to Welsh Church Fund Trust	
 <p>Prevention Putting resources into preventing problems occurring or getting worse</p>	Not applicable to Welsh Church Fund Trust	
 <p>Integration Positively impacting on people, economy and environment and trying to benefit all three</p>	Not applicable to Welsh Church Fund Trust	

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	Encouraging the socializing of differing age groups through social provision	None	
Disability	No impact	None	
Gender reassignment	No impact	No impact	
Marriage or civil partnership	No impact	No Impact	
Race	No impact	No Impact	
Religion or Belief	Encouraging religion through education at the point of delivery through the provision of enhanced facilities	None	
Sex	No impact	No impact	
Sexual Orientation	No impact	No Impact	
Welsh Language	No impact on Welsh Language	No impact on Welsh Language	

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4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance note <http://hub/corporatedocs/Democratic%20Services/Equality%20impact%20assessment%20and%20safeguarding.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Not applicable		
Corporate Parenting	Not applicable		

5. What evidence and data has informed the development of your proposal?

The evidence and data used for the assessment of each applicant to the Welsh Church Fund is supplied by the applicant upon submission of their application. The data and information supplied or subsequently requested is used to form the basis of the Committees' decision on whether to award a qualifying grant.

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The grant aid supports and highlights the positive effect that decisions the Welsh Church Fund Working Group have on the applicants funding requests from Voluntary Organisations, Local Community Groups, Individuals and Religious Establishments. All awards are made in the belief that the funding is utilised for sustainable projects and cultural activities that benefit individuals, organisations, communities and their associated assets. All grants are awarded within the Charitable Guidelines of the Trust

7. Actions. As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

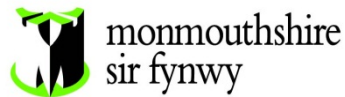
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What are you going to do	When are you going to do it?	Who is responsible	Progress
Award grants	June 2018	Welsh Church Fund	On target

8. Monitoring: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:

The Payment of grants awarded to the successful applicants



SUBJECT:	ALTERNATIVE DELIVERY MODEL – PROGRESSION
MEETING:	CABINET
DATE:	6TH JUNE 2018
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

To set out progress to date on the establishment of the ADM for Tourism, Leisure, Culture and Youth services further to Cabinet approval on 29 January 2018 and to describe the process stages that require completion ahead of final Council approval, setting out the opportunities for informing, shaping and developing the arrangements and agreements – ahead of enactment of the model.

2. RECOMMENDATIONS:

- 2.1 To establish the 'lead' Council team and identify the resources required to support the process e.g. legal advice, etc.
- 2.2 To approve funding of £30,000 for Council's costs from the priority investment reserve to support the process for the Council.
- 2.3 To establish the interim ADM Lead Team.
- 2.4 To note the current draft Heads of Terms agreement as an illustration of the 'Management Agreement' and approve the development of the additional documents required to underpin the process and continue the development of the necessary agreements e.g. Draft Articles of Association for Teckal and Charity, Governance and Membership of Teckal and Charity Boards etc.
- 2.5 To enact Shadow Company Boards recruitment and operation in line with Audit Committee governance recommendations. Shadow structures to remain internal advisory bodies until such time as the Council approves the decision to enact company operation.
- 2.6 To approve the submission of legal incorporation documents in order to secure trading names, website, domains, etc. Companies to be established as shell companies at this stage and will therefore will remain dormant until such time that the Council makes the decision to enact company operation.
- 2.7 To prescribe the ADM as an 'admitted body' to the Gwent Pension Scheme.
- 2.8 To agree to commence the TUPE consultation for staff during the summer recess. The process will continue until the enactment of the companies.

3. KEY ISSUES:

- 3.1 On 29 January 2018, the Council's Cabinet Committee approved the establishment of an ADM as the best means of enabling a sustainable and resilient future for Tourism,

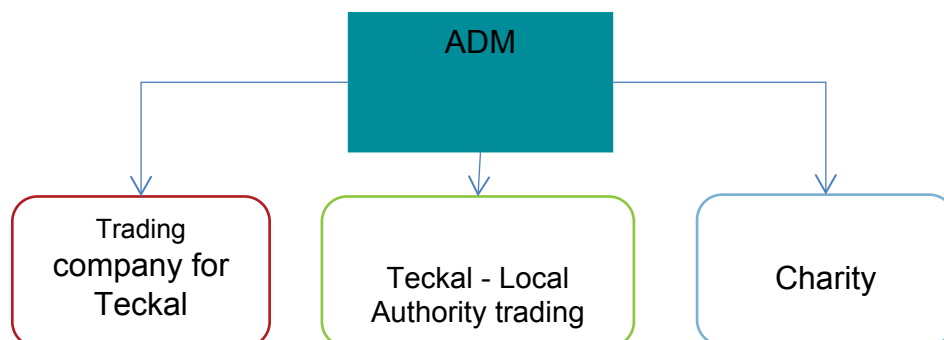
Leisure, Culture and Youth services. Further to this decision, on the 15 February 2018 Council agreed that £155,000 could be drawn from the priority investment reserve to fund 'start up' activity for the Alternative Delivery Model (ADM). For the purposes of this report the term "ADM" means the services which will be passing from the Council into the Charity and the Teckal company; and delivered by these vehicles.

3.2 This report seeks Cabinet approval to start to undertake the programme of activity, systems and structures that will be necessary in informing the agreements, arrangements and plans to secure approval to enact the ADM. The preparatory work needed to detail and set out governance arrangements, operational structures and capabilities; the first five year 'Management Agreement' governing the relationship between the council and the ADM, financial and resource matters and a future delivery plan, will be shared with and informed by Audit Committee and Economy and Development Select Committee prior to final onward approval by Full Council.

3.3 Form, Governance and Ethos

3.3.1 As previously approved, the ADM will be formed of three companies within one group as detailed in the diagram one below:

Diagram One: ADM Group Structure



3.3.2 The group structure allows the ADM to operate in close partnership with the Council through the wholly owned Teckal and trading company, giving the ADM the freedom to be enterprising, whilst having the benefits of independent charitable status for some of the work. Services within the Teckal will be Green Infrastructure (including Rights of Way and Biodiversity), Play and Tourism Development. The Charity will contain services such as Museums, Attractions, Leisure, Youth and Outdoor Education. The structure will provide full accountability back to the Council through the five-year Agreements with the Charity and the Teckal company, enabling the Council to deliver its strategic and policy objectives with confidence. ADM Board representation and participation will also feature prominently within this. Board formation of each of the ADM entities is a critical step. The ADM Boards will exercise their responsibilities by clearly setting out in the business plan for the Teckal company, and through the Grant five-year Agreement for the Charity, their delivery aims; ensuring ADM Executive Officers act in accordance with these directions and deliver against the aims and objectives identified by the Council.

3.3.3 The detail now required to flesh out the operational arrangements above, will be developed through work with the Audit Committee (governance, evaluation and

accountability) and all pre-decision scrutiny work will be carried out via the Economy and Development Select Committee (overall arrangements). The resultant frameworks, arrangements, evaluation matrices and agreements sitting under the 'Agreements with the ADM vehicles will be put forward for approval by Full Council prior to the enactment of the ADM. In order to ensure the processes implemented are 'tried and tested' and provide opportunities for experiential learning, it is important that Shadow Company Board recruitment commences, in accordance with the Nolan Seven Principles of public life. By twin tracking the recruitment process with the work of the Audit Committee and Economy and Development Select Committee, the shadow board's establishment will follow best practice guidelines from the outset and provide Members with the opportunity to iterate, develop and hone governance, evaluation and accountability before a final Council decision is taken. These shadow structures will remain internal advisory bodies until go live. Proper enactment will not take place until such time as the whole complement of legal and contractual documentation is approved by Council, as stipulated in the previous Council report.

3.4 Council lead team / client role

- 3.4.1 The service specification agreed between the Council and the ADM, as stipulated within the five-year 'Agreements', will drive good governance on account of the requirement for compliance with its terms. This will include how the ADM reports to the Council on the annual business plan and how periodic reports are submitted to the Council for scrutiny and other purposes. The council's 'client' role in this regard will be of real importance in leading, directing and importantly, developing and fostering good relations. It is therefore proposed that a Council 'lead' team is appointed to comprise of Peter Davies, Chief Officer for Resources and Cath Fallon, Head of Enterprise and Community Development. Both officers have recent experience in establishing CSC Foundry Ltd on behalf of the CCR City Deal and current director-level responsibility within Y Prentis. The client role, will be responsible for developing, directing and enacting the Council's requirements and ensuring that the strategic and policy direction of the Council is sufficiently embedded within the directional, operational and performance plans and arrangements of the ADM. The ADM client team will be responsible for concluding all negotiations and providing advice and counsel to Cabinet and Full Council on the enactment of the ADM and provide the lead role in all subsequent and ongoing monitoring and evaluation.
- 3.4.2 To support the Council through the process resources will be required, mainly comprising of legal advice. A notional budget of £30,000 is required for this purpose.
- 3.4.3 The key to the success of the ADM will not only be the group's ability to work together as one but also the working relationship between the ADM and the Council. It is essential therefore that the Council's Lead team works closely with the ADM Lead team in a spirit of partnership, given that both parties are equally invested in making the ADM a success and a positive driver for wellbeing and wellness across the whole of the county.

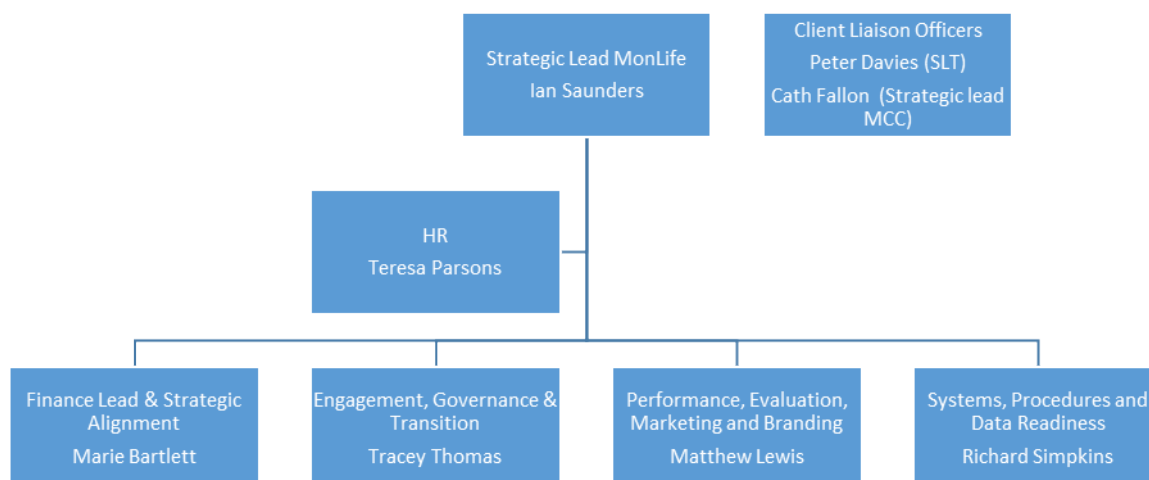
3.5 Company Incorporation

3.5.1 In preparation for trading, the individual entities comprising the ADM will need to be established in order to protect potential trading names and to avoid delays once final decisions are made. It is therefore proposed that Articles of Association are prepared for both the charitable company and the Teckal company and their associated trading subsidiaries. These articles will determine matters pertaining to the detailed treatment of issues and matters such as employment, property treatment and so on. For the Teckal company, a Shareholder Agreement will also need to be prepared to reflect the Council's stake in the company. Both the Teckal company and the charitable company will need to be limited companies; the Charity limited by Guarantee and the Teckal company limited by shares. During this process, the Council's Lead team will consider tax efficiency of the ADM alongside the Council's own Commercial and Investment Strategy, should a more efficient model be identified, then a further report will be brought before Cabinet for consideration. Once the companies have been established they will remain dormant until such time that the Council makes the decision to enable company trading.

3.5.2 Workforce Matters – Interim ADM Lead Team, Structure Changes and TUPE

3.5.3 To maximise success it is essential that all staff within the ADM group work together as a single staff team, under the interim leadership of the ADM Lead Officers. ADM lead officers – Ian Saunders, Marie Bartlett, Tracey Thomas, Matthew Lewis and Richard Simpkins have been seconded to the ADM programme for the period during which it has been under development as a Council-led proposal. In the interim to decisions to finally enact the ADM and thus, in the period up until a formal Recruitment and Selection process can be run, it is proposed the positions set out below are formalised and the group of officers form the interim ADM Lead Team.

Diagram Two: Interim Lead ADM Team



- 3.6.2 Job profiles for these key posts are detailed in Appendix 10. The appointment of the individuals to these roles identified will therefore enable the team to move forward at pace in line with the Council's ambition to commence trading within the ADM in December 2018.
- 3.6.3 At the point of staff transfer into the ADM, the pensions benefits built up by staff are not protected under the TUPE regulations however there is a requirement to offer a similar scheme and the Council wish to protect the staff's access to the Local Government Pension Scheme. It is therefore essential that the ADM is given admitted body status in order to comply with these obligations, approval is therefore requested for the interim Lead ADM team to progress with this requirement and for the ADM to be prescribed as an 'admitted body' to the Gwent Pension Scheme.
- 3.6.4 To ensure that timescales are adhered to, there will be a need to commence the preliminary TUPE consultations. This does not prejudice any political decision in the future and can be terminated at any stage during the process.
- 3.6.5 To ensure that services are continuing to operate within their financial envelope, there will be a requirement to undertake an internal restructure for the attractions and outdoor education services over the summer period. This will not effect the staged processes of the ADM and will be completed prior to TUPE consultations taking place. Legal advice has been sought to ensure that a restructure can take place prior to TUPE and the reasoning meets the criteria of economic, technical or organisational.
- 3.6.6 The Draft 'Heads of Terms'

The Heads of Terms (HoT) agreement will record what has been agreed in principle between the parties before the next stage of entering into formal documentation / management agreements. It will present a clear and unambiguous starting point for drafting the next documentation. The HoT will focus on the key points of the arrangements and ensure that the principles inform the detailed negotiations. The initial draft HoT are attached in appendix 3 and 4.

4. REASONS:

- 4.1 Further to a full options appraisal and approval by Council of the option to establish an ADM, there is now a need to implement the operationalisation process. To date the work has been facilitated by an-house team, with all detailed analysis, legal advice, dual diligence and professional assurance support coming from independent experts Anthony Collins, however there is now a need to move towards the establishment of interim Lead teams to move things forward.
- 4.2 The move to the ADM enables the Council to exercise its role as strategic enabler – setting out expectations of strategic direction and having the necessary tools and levers to ensure operational delivery fulfils expectations. The approval of this next set of recommendations enables this process to take place.

5. RESOURCE IMPLICATIONS:

- 5.1 As per agreement at Full Council, the proposal is that the ADM will maintain and deliver these services at a cost of £21,440m. The MTFP will also need to take account of extra

pressures of 30k in 2019/20, 57k in 20/21, 70k in 21/22 and 65k in 22/23. Delays to the start date could result in the amounts as indicated above changing marginally.

- 5.2 To support the Council through the process resources will be required, mainly comprising of legal advice for the client role of £30,000 is required for this purpose.

Residual impact to the Council

- 5.3 Central costs have been estimated at £970k and although the ADM is expected to continue to use the vast majority of back office and central support services, there is likely to be an immediate additional cost implication to the Council of £143k. Further implications to the authority could occur in future years should the ADM wish to source those services elsewhere. If this did happen, then further financial consequences could be further £71k at the end of year 3 and £109k by year 5.
- 5.4 The Council's Lead team will commence work in advance in order to manage and eliminate these pressures through future rationalisation and restructuring of back office

Staffing and Workforce

- 5.5 Engagement with staff has been a fundamental element of this ongoing process. Not only has engagement been undertaken from the initial stages of the process, it will continue to be an integral aspect that will be continuously implemented and monitored in a proactive way. A review in October 2017 established 68% of staff are motivated and willing to enhance services for the future to create resilience and purpose, whilst ensuring services are progressive and recognised for their excellence. Engagement with employees will continue to be prioritised in order to build upon values and ensure they are embedded in behaviours and practice. This will be particularly important in supporting the TUPE transfer of workforce from the Council to the ADM.

Assets

- 5.6 The Council will need to determine the exact treatment of assets but the Council will retain ownership of the assets and lease to the ADM - it is only the provision and management of services that will transfer from the Council to the ADM. One of the key aspects of the ADM is that the Council will retain ownership of the assets and therefore it is in the interest of the Council to maintain these assets. The assumption is that the ADM would be responsible for day to day maintenance and the Council would retain major maintenance duties. The business plan for the ADM assumes a capital investment of £1m in assets in years 2 and 3 which is funded by additional income generation. In this arrangement the Council will fulfil the role of 'borrower' with debt servicing costs funded by the ADM through income generation activities. The additional benefits of a charitable organisation is that it can access other opportunities through restoration grants and projects that could lessen the burden.

6. SAFEGUARDING IMPLICATIONS

- 6.1 The ADM will be as committed to ensuring that people living within the County are safe and protected. The workforce shares a responsibility, both collectively and individually, to ensure that children and adults at risk are protected from harm. Within the ADM, services will continue to prioritise safeguarding measures, reflect on current practice

and continue to train staff to the appropriate levels. Employees, volunteers and contractors who come into contact with children or adults at risk in the course of their duties will be expected to understand their responsibility and where necessary take action to safeguard and promote the welfare of vulnerable people. The ADM would seek to continue its representation on the Monmouthshire County Council Whole Authority Safeguarding Group and will ensure compliance with all policies and procedures.

7. CONSULTEES

Organisation/Consultees	Frequency of engagement	Purpose/Outcomes
Senior Leadership Team Finance Legal	Frequently throughout the past 30 months	To receive scrutiny; guidance and critical advice to aid the process to achieve the optimum recommended position for the authority to present for political decision
Joint Select Committee	September 2016 February 2017 July 2017	To scrutinise draft Outline BC; draft Business Case and provide guidance and recommendations on next steps
Cabinet	May 2016 October 2016	To receive OBC; draft BC and eliminate options to prepare for final decision on optimal model for TLCY services
Council	October 2016 March 2017	To receive OBC; draft BC and eliminate options to prepare for final decision on optimal model for TLCY services
All four political parties of MCC	January 2018	To discuss the Full Business Case and papers being presented at full Council
Members Seminars	February 2016 June 2016 December 2016 June 2017	To discuss specifics around Governance; options appraisal and finance.
Anthony Collins Solicitors	Through various face to face and skype calls over period of project	To support the project team and give expert advice through the stages of this project
Other established Trusts	Aspire Social Care, Salford Aspire Leisure, Salford Vivacity, Peterborough Torfaen Leisure, Aneurin Leisure, Newport Live	As part of a reconnaissance exercise to glean information on the setting up of these trusts: processes undertaken; milestones achieved; learning; barriers and achievements made
Town and Community Councils	21 Community Councils and 5 Town Councils	To share potential models for TLCY services and the benefits/consequences. Overall responses were positive and in main supported an ADM model.
Trade Unions	Quarterly through JAG; informal TU/MCC mtgs/ specific TU/staff conferences/Project team mtgs specifically geared to	To share detail of each stage of the process and to give opportunity for queries to be raised and dealt with at the appropriate meeting level.

Organisation/Consultees	Frequency of engagement	Purpose/Outcomes
	discussions around future models for TLCY services	
Local Access Forum	May 2017	To update and consult on the options for a new delivery model including for countryside access services which the forum noted.
Staff within TLCY	4 conferences; 16 staff workshops (vision,; values; culture; customer journey); 19 service team meetings; 25 ambassador team meetings	To ensure staff are communicated appropriately and furnished with details at appropriate stages of the process; opportunity to ask questions; and be an integral part of the process
15 January 2018	Joint Select Committee	To receive FBC and give strutinise.
29 January 2018	Cabinet	To receive FBC and give approval to progress ADM option
15 th February 2018	Council	To receive FBC and give approval to progress ADM option and agree financial support to assist with next steps
27 th February 2018	Mr A Crowhurst, CAIR Monmouthshire	Concerns raised around equality which have been noted and papers duly change to reflect Equalities Act

9. BACKGROUND PAPERS

- Appendix 1 Evaluation Criteria
- Appendix 2 Future Generations Evaluation
- Appendix 3 Draft Heads of Terms for Teckal
- Appendix 4 Draft Heads of Terms for Charity
- Appendix 5 Draft Charity Articles for MonLife
- Appendix 6 Draft Articles MonLife Trading
- Appendix 7 Draft Articles MonLife Plus Ltd
- Appendix 8 Summary of Articles on MonLife Plus
- Appendix 9 MonLife Charity Law Advice
- Appendix 10 Paper on Membership of the Teckal, Shareholder Committee and Charity
- Appendix 11 Paper on Shadow Board
- Appendix 12 Role profiles for Interim Project Team

10. FUTURE GENERATIONS IMPLICATIONS

The completed Future Generations Evaluation can be found in Appendix B however the main positive and negative impacts of the proposal are as follows:

The purpose of the proposed Alternative Delivery Model is to ensure much valued local services are maintained and by their nature continue to provide employment, growth and an increasingly skilled workforce. The proposed Alternative Delivery Model will enable services to be kept open but with more community focus and

coordination, helping knit communities together. Activities in establishing the Alternative Delivery Model will require positive engagement and coordination with community focused services as well as income generation and investment in key aspects of the business to ensure the culture and business thrives. Incorporated services will contribute greatly to our local culture, heritage and art with the promotion of activity, health and wellbeing forming part of its key drivers.

11. AUTHORS:

Peter Davies, Chief Officer, Resources
Cath Fallon, Head of Enterprise and Community Development

12. CONTACT DETAILS:

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E-mail: cathfallon@monmouthshire.gov.uk mob: 07557190969

13. CONSULTEES:

Senior Leadership Team

Appendix 1

Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Title of Report:	Alternative Delivery Model – Progression
Date decision was made:	6th June 2018
Report Author:	Peter Davies / Cath Fallon

What will happen as a result of this decision being approved by Cabinet or Council?

As a result of this decision a new entity will be established which will deliver Tourism, Leisure, Cultural and Youth Services on behalf of MCC. A new organisation will be formed with new management structure and a shadow board will be appointed to deliver the first year of a business case/plan approved by MCC. Further to this agreed governance and service level agreements will be developed dependant on the nature of the various business and service relationships with MCC and partners. The go live date is currently planned to be December 1st 2018 so if this decision is reviewed in 12 months the new entity should be fully operational.

12 month appraisal

Was the desired outcome achieved? What has changed as a result of the decision? Have things improved overall as a result of the decision being taken?

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?

The set-up and establishment of the organisation and charity, the recruitment of a board and team – there is an evaluation framework included in the business plan. The decision to establish a new entity will be measured against timescales suggested for implementation of December 1st 2018, HR and legal frameworks, performance over the coming years by annual reports where finance, core KPI's and the evaluation/outcome framework will be scrutinised.

12 month appraisal

Paint a picture of what has happened since the decision was implemented. Give an overview of how you fared against the criteria. What worked well, what didn't work well. The reasons why you might not have achieved the desired level of outcome. Detail the positive outcomes as a direct result of the decision. If something didn't work, why didn't it work and how has that effected implementation.

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

The costs of the decision are highlighted in the report of £30,000 which is to support the Council through this process (mainly legal costs). All other budget figures regarding the option are including in the business case and business plans.

12 month appraisal

Give an overview of whether the decision was implemented within the budget set out in the report or whether the desired amount of savings was realised. If not, give a brief overview of the reasons why and what the actual costs/savings were.

Any other comments

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Future Generations Evaluation (Includes Equalities and Sustainability)

<p>Name of the Officer Ian Saunders</p> <p>Phone no: 07876545793 E-mail: iansaunders@monmouthshire.gov.uk</p>	<p>To receive an update and associated draft documents on the ADM</p>
<p>Name of Service: Enterprise including Tourism, Leisure, Culture and Youth</p>	<p>Date Future Generations Evaluation 18th May 2018</p>

NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc.




Does your proposal deliver any of the well-being goals below?



Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>To ensure much valued local services are maintained and by their nature provide employment, growth and an increasingly skilled workforce.</p>	<p>Keeping services open and local but with more community focus and coordination – helping knit communities together.</p> <p>Positive engagement and coordination with community focused services.</p> <p>Income generation and investment in key aspects of the business will ensure the culture and business thrives and there is sustained growth moving forwards.</p> <p>Continue to invest and grow our very successful volunteering scheme.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>Continue our close working partnership with countryside and planning and ensuring our green spaces and cultural heritage is supported.</p> <p>Alternative Delivery Model managing all of its greenspaces and property to maintain and enhance biodiversity and promote resilience (in the context of it being a new entity).</p>	<p>The Alternative Delivery Model will seek to develop partnerships and support landscape scale action, provide expert advice and seek to access new forms of funding to secure partnership action.</p>
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Positive impact by ensuring quality services are provided by offering events and opportunities to encourage a fit and healthy lifestyle through leisure, sport, outdoor education, countryside and cultural access.</p> <p>The new offer will ensure that events and activities are also well signposted and the benefits of such activities demonstrated.</p>	<p>Working with key partners through the Public Service Board will ensure that physical and mental health through activity is widely available and that the Alternative Delivery Model is central to this by working directly with its communities. The work inside Creating An Active and Healthy Monmouthshire Group connects to key acts such as Social Services Wales (Act) the Wellbeing Future Generations, Environment Act and also key strategies and drivers such as obesity including the Gwent Child Obesity Strategy, Get Wales Moving (replacing Climbing Higher), etc. Schools Sports Surveys will be undertaken biannually along with work across Active Gwent Sport Development/Youth Teams, cultural services, cycling and walking product, and exercise referral should all contribute to a positive impact. The Alternative Delivery Model will have the ability to package the offer and market across our communities.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The approval for the formation of an Alternative Delivery Model will ensure the sustainability and growth in these service areas. A known benefit of an Alternative Delivery Model is improved community engagement and connection with local priorities - this can lead to service improvements and continuing to understand what matters to our customers and partners.</p>	<p>To ensure the Alternative Delivery Model has a structure which focuses on encouraging community cohesion as one of its social drivers.</p> <p>An extensive customer survey on, 'what matters', has been undertaken across all our services where, 1,200 returns were obtained and further engagement activities have taken place since then with customers, staff and user groups.</p>
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The Alternative Delivery Model will have delegated responsibility to ensure high standards are met and maintained that do not conflict with the global drivers.</p>	<p>Any decisions taken by the Alternative Delivery Model will take into account global and well-being issues as part of its day to day processes.</p>
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>The Alternative Delivery Model will incorporate services which contribute greatly to the local culture, heritage and art, this will include the promotion and protection of the Welsh language, which will form part of the core value and aim of the new organisation.</p>	<p>One of the key drivers of the Alternative Delivery Model will be the promotion of activity, health, culture and art and its structure and key developments will reflect that.</p> <p>The ability to react to the current markets and trends will enable the new organisation to position itself to meet the outcomes.</p>
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>The Alternative Delivery Model will provide services for all age ranges and deliver a diverse and comprehensive package for all of its communities.</p>	<p>With the ability to better market and understand data there will be opportunities to target areas of the community that may not currently be aware of the offer.</p> <p>The ability to extend our current work towards access to facilities and services can be rolled out consistently across all service areas.</p>

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Business plans, investment opportunities, community, staff and member engagement are part of the next phase of developing the Alternative Delivery Model for the future. During this period there is still a need to ensure the services continue to function and develop.</p>	<p>Reducing budgets and savings have led to some service areas altering core hours of operation. There has been a concerted effort to assist by mobilising volunteers, making efficiencies and generating additional income to ensure negative impact of reducing budgets is mitigated. Where possible we have been using existing staff where we have had vacancies.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The services have some key partners from funding, grants and delivery of service. Some key partners include other LA's, Public Health Wales, NRW, Sport & Art Wales, Visit Wales, Town & Community Council, Youth Offer partnership, Creating Active & Healthy Monmouthshire, Schools, Unions. During the Alternative Delivery Model engagement process all major stakeholders and partners will be involved.</p>	<p>The next phase of the ADM will include a full engagement program, scoping of commercial opportunities for which resources and an interim structure will be put in place to move things forwards.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>There is an ongoing engagement program in place to ensure all the relevant people are consulted with. This includes all staff across Tourism, Leisure, Culture and Youth Service, Town and Community Councils, the Senior Leadership Team and all Council members within Monmouthshire.</p>	<p>The engagement process will be constantly reviewed and evaluated to ensure the views of all those who have an interest are taken into account.</p> <p>Engagement is an ongoing continual process. A number of 'staff champions' have stepped forward to help with the process to communicate and support teams on the ground. An electronic newsletter is sent to all staff periodically when there is any further information or progress to share. There is also a central location on the Hub for staff to view relevant documentation and post views and opinions on the process. This ensures all staff are receiving a consistent message and the champions have something to share with teams and collect any feedback in necessary.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The business plans for each service are being developed with the site teams and managers. In the plans there are opportunities for growth and investment.</p> <p>If this is not done the services will be managing decline and income targets will not be maintained causing a downward spiral.</p>	<p>The ADM along with the Shadow Board will develop a new staffing structure and investigate how best to mobilise it's incredible talented teams across the various business opportunities and services. We are currently identifying key income pipelines for each area and how these can be developed and joined up within the new model moving forwards.</p>
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The opportunity to develop a new way of delivering services and sustaining their long term future should give the opportunity to better connect wellbeing outcomes to other partners and bodies. All the services being considered contribute to the wellbeing goals although some are more clearly defined than others. It is important that the services are able to clearly demonstrate and understand their input into the wellbeing goals – it is also important to consider the impact.</p>	<p>One of the key drivers of the Alternative Delivery Model will be the promotion of activity, health, equality, culture and art and its structure and key developments will reflect that. All of this will be linked back to ensuring the key priorities of the Future Generations Act are met. A Performance Evaluation Framework will be developed to help the ADM measure its impact on all of the wellbeing goals</p>

3. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link: <http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or alanburkitt@monmouthshire.gov.uk

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The Alternative Delivery Model will provide greater opportunities for all ages as it will look to invest, develop and build on existing facilities and programs. There will also be a joined up approach so that all service areas in scope provide a much wider offer. The new model will also provide employment opportunities in new areas of the business for existing staff within marketing, sales, catering etc. These positive impacts will apply to all protected characteristics listed below.	n/a	Asking all of our customers and partners what matters to them will evidently improve our services. If we are in a position in the future to redesign and invest in facilities we will see an improved offer for all.
Disability	Any new re-design and development will conform with the Equalities Act.	n/a	Working with key partners we have ensured all new facilities and re-developments have/will be fit for purpose and suitable for all abilities.
Gender reassignment	As in Age row	n/a	As in Age row
Marriage or civil partnership	As in Age row	n/a	As in Age row
Pregnancy or maternity	As in Age row	n/a	As in Age row
Race	As in Age row	n/a	As in Age row
Religion or Belief	As in Age row	n/a	As in Age row
Sex	As in Age row	n/a	As in Age row
Sexual Orientation	As in Age row	n/a	As in Age row

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Welsh Language	Consideration will be given to any new signage and plans for any redevelopments to comply with the Welsh Language act. All marketing materials and general information for customers will be provided bilingually including planned social media. There are current Welsh Language courses running for all front of house staff to meet and greet customers and these will be developed. All job adverts are now advertised as requesting Welsh speakers as part of the person specification.	n/a	Our staff are engaging in improving their ability to communicate through the medium of Welsh. There is support for this centrally via a scheduled training program to ensure our teams are in a good position to deliver the core aims within a set timeframe.

Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance <http://hub/corporatedocs/Democratic%20Services/Safeguarding%20Guidance.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/have you done to mitigate any negative impacts or better contribute to positive impacts?

Safeguarding	We will ensure safeguarding is at the forefront of all plans with the relevant documentation, systems and procedures and levels of training in place for all staff relevant to the role consistently across the board.	n/a	We will continue to prioritise our safeguarding measures, reflect on current practice and continue to train staff to the appropriate levels. All service areas have updated SAFE procedures in place in line with MCC procedures and a training database is maintained by all managers to reflect upskilling of staff within this area. We also link with our sports clubs to ensure they have nominated individuals to safeguard their users.
Corporate Parenting	We will continue to work with our partners to assist in any way we can and add value to the current provisions.	n/a	We will continue to have representation for this area at all team meetings and continuously monitor and review all systems and procedures mentioned above to ensure we are providing as safe an environment for all of our customers as possible. We actively encourage all staff to be vigilant and report any instances they feel appropriate and have procedures in place for this.

5. What evidence and data has informed the development of your proposal?

Throughout this process the following documents have underpinned the agreed move to an ADM:

- Final Business Case
- Amion report regarding the Future Options for MCC's Cultural Services;
- The Medium Term Financial Plan;
- Full Engagement Plan;
- Welsh Government Guide to Alternative Delivery Models;
- Anthony Collins Strategic Outline Case;

- MCC Strategic Outline Case;
- Outline Business Case produced by Kevin Ford working as an associate with Anthony Collins
- VAT Report by Mazars
- Advice and Support from other Leisure Trusts/Charitable Organisations
- Draft Heads of Terms for Teckal and Charity
- Draft Articles of Association for Teckal and Charity
- Shadow Board Paper
- Governance note for Teckal and Charity from Anthony Collins

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The purpose of the proposed Alternative Delivery Model is to ensure much valued local services are maintained and by their nature continue to provide employment, growth and an increasingly skilled workforce. The proposals will enable services to be kept open but with more community focus and coordination, helping knit communities together. Activities in establishing the Alternative Delivery Model will require positive engagement and coordination with community focused services as well as income generation and investment in key aspects of the business to ensure the culture and business thrives. Incorporated services will contribute greatly to our local culture, heritage and art with the promotion of activity, health and wellbeing forming part of its key drivers.

ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
Produce and present Strategic Outline Case to Joint Select (SOC)	5 th October 2016	Ian Saunders & Working Group	Complete
Subject to approval Draft Outline Business Case will be developed	October – February 2017	Ian Saunders & Working Group	Complete
Presentation for Senior Leadership Team around the Draft Outline Business Case	26 th January 2017	Ian Saunders & Working Group	Complete
Draft Outline Business Case to go to Senior Leadership Team	February 2017	Ian Saunders & Working Group	Complete
Draft Outline Business Case to go to Joint Select	27 th February 2017	Ian Saunders & Working Group	Complete

Draft Outline Business Case to go to Full Council for approval to progress to full Business Case	20 th March 2017	Ian Saunders & Working Group	Complete
Complete full business case and first draft of Business Plan to present to Cabinet	March – December 2017	Ian Saunders & Working Group	Complete
Subject to approval the ADM group structure will be established	June – August 2018	Ian Saunders & Working Group	
Subject to approval the ADM will go live	1 st October 2018	Ian Saunders & Working Group	

8. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	Ongoing (in line with the above schedule)
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VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	<i>Principle of the Alternative Delivery Model to be approved</i>	<i>September 2016</i>	<i>This will demonstrate how we have considered and built in sustainable development throughout the evolution of a proposal.</i>
2	<i>Outline Business Case Draft</i>	<i>March 2017</i>	
3	<i>Completion of Final Business Case and first draft of Business Plan</i>	<i>November 2017</i>	
4	<i>Completion of update report and associated draft legal and governing documents</i>	<i>June 2018</i>	

HEADS OF TERMS – TECKAL COMPANY

MONMOUTHSHIRE COUNTY COUNCIL

ADVICE RE HEADS OF TERMS FOR THE GOVERNANCE/SHAREHOLDER AGREEMENT

April 2018

Anthony Collins
solicitors

1. The Agreement will identify who are the parties – one will be the company itself Monlife Plus Ltd and the second will be the Council.
2. The Agreement will set out that:
 - The Company is a private company wholly owned by the Council;
 - The Council has established it as a “commercial purpose and trading entity”;
 - It is a controlled and regulated company under the Local Government and Housing Act 1989 and within the Local Authority (Companies) Order 1995;
 - The parties have agreed this Agreement to regulate their responsibilities, the governance arrangements and the operating and management of the Company and its relationship with the Council;
 - It is usual to state in the Agreement that the Council (in this case Cabinet as it is an Executive function) have delegated their role and where to. As this is an executive matter the Council may wish the Shareholder Committee to be either the Cabinet itself or a Cabinet committee – if the second, the voting members of the committee can only be members of the Cabinet, although the Cabinet can agree to co-opt a member who is not on the Cabinet as a non-voting member. It should be remembered that there is a difference between the Shareholder Committee and the Board of the Company.
3. The heads of terms will set out the interpretation which is to be used – for the purposes of these heads of terms that is excluded at present until further documentation is agreed
4. The Heads of Terms will be clear about the business of the Company which have to fit in with the Articles and which should also provide that the Company business needs to be carried out in accordance with the business plan approved by the Council and that the company will always comply with the business plan and the provisions of the agreement and the Articles.

5. Where the Council has delegated its shareholder responsibilities to an Executive Committee (see above) the Agreement should make it clear that references to the Council are references to the Shareholder Committee to which the Council/Cabinet have delegated their responsibilities unless otherwise noted.
6. In the Heads of Terms it should be clear that the directors are appointed and dismissed by the Council and that the Company must ensure the Board does not go beyond its responsibilities in terms of any reserved matters.
7. It is usual to explain how any directors of the Company who are also employees or members of the Council are to be remunerated by the Company – usually not at all - and also the Articles should state when the Board meetings are meant to take place and the frequency of these. Non-Executive Directors who are not either members of officers will be entitled to remuneration if agreed.
8. The agreement will provide for an undertaking from the Company not to engage in activity which would constitute an offence under the Bribery Act or in respect of anti-corruption procedures.
9. The Agreement will require the company to adopt a business plan for each financial year unless the Council disapplies this provision. This requirement is that the Council must approve the business plan and any revision or update before the Board adopts it. Often it is useful for the Agreement to provide that before the Company submits a business plan to the Council for approval that they have consulted an officer (the Council can decide who this is) of the Council beforehand.
10. The Agreement will require the Company to keep the necessary accounting rules but require that the Council's representatives are allowed reasonable access to look at the books and records of the Company and discuss the Company's affairs with the directors of the Company. It should require the Company to supply the named officer of the Council with the necessary information to keep the Council informed about how effectively the business is performing and list the documents in particular which the Council will need such as:

- A copy of the proposed business plan;
- A copy of the audited accounts;
- The quarterly management accounts for the Company;
- The report prepared by the company each year demonstrating the approval by the Company of the adequate procedures;
- Copies of any proposals or business cases that the Company may wish to enter into, (this could be for example if the Company wishes to invest in any particular products or work with other organisations at a significant level);
- The Agreement should provide that the Company will comply with the requests of the Council to meet its requirements in relation to HMRC etc.
- The Company will not be required to recommend any dividend payments or distribution without the views of the named officer being taken into account. In practice this is relating to any payment of any dividend back to the Council as shareholder. The Council may of course prefer that any profits made by the Company are reinvested into services or that if the company is making a profit the Council is able to reduce the amount it pays to the Company to take into account the surplus the company makes. This will need to be the subject of a discussion during the business plan and budget processes.
- The Agreement will go into how the agreement can be terminated by the Council (but not by the Company).
- The Agreement should take precedence over the articles if there is any conflict.
- The Agreement will include the requirement the Company to comply with the Council's policies and procedures on Freedom of Information (as a wholly owned Council company it is subject to the same FOI rules as the Council). The Agreement will require the Company to comply with the Council's policies and procedures on Freedom of Information (as a wholly owned Council company it is subject to the same FOI rules as the Council).
- If the Company receives a request for information it must pass the request to the Council and use reasonable endeavours to assist the Council in complying with all transparency obligations, responding to any requests about the Company or the business submitted by elected members of the Council and make officers available to attend before and answer questions about meetings of the full Council / the joint select committee / the cabinet and the

Shareholder Committee; and will supply such information to the above bodies as the Council may reasonably request.

- The Company will use reasonable endeavours to assist the Council in responding to inquiries or investigations by the Public Services Ombudsman for Wales.
- The Company will comply with the Local Authority Companies Order 1995 and any other legislative requirements.
- The Parties will act in good faith towards each other at all times and do everything necessary to give effect to the spirit and intention of the agreement.
- The Company is not able to assign or grant incumbrances over any of the rights and obligations in the agreement without the written consent of the Council.
- Any dispute that arises between the Council and Company will be referred in the first instance the agreement provide that any dispute arises then it will be referred for resolution in the first instance to the named officer at the Council (usually the Chief Executive, but the Council can decide) and the Chairman of the Board and then if the dispute is unable to be resolved in this way the agreement will provide that the Council may then serve a notice in writing on the Company directing them to take or refrain from taking actions specified with which the Company must comply. The agreement will then deal with reference to the internal Council decision making in respect of the Company and relate back to the delegation to the Shareholder Committee.
- The Agreement will set out the usual “boiler plate” conditions in relation to language, governing law etc.
- The Agreement will detail that the Council will be providing support services to the Company (I think this is to be the case, certainly initially) and refer to a separate service level agreement (s) which can be appended if this is required but need not be.

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MONMOUTHSHIRE COUNTY COUNCIL

MONLIFE – DRAFT HEADS OF TERMS MAY 2018

This document sets out the heads of terms for the proposed establishment of an Alternative Delivery Model (MonLife) for the Council, in relation to the key documents. The memorandum and articles of association for MonLife are dealt with separately. The principle agreements are:

1. Grant Agreement – this sets out the basis of how the Council will fund MonLife and the key outcomes MonLife will seek in return;
2. Leases – sets out the buildings and property which are to be leased and the principle term;
3. Transfer Agreement – what other assets and transfer provisions there are, which only apply at point of transfer;
4. Support Services Agreement – the basis on which the Council will continue to supply services to MonLife.

The tables below set out these key agreements.

1. GRANT MANAGEMENT AGREEMENT

ISSUE	AGREED POSITION
Scope of Services	Management of the facilities, including operation, programming, events, catering, retail, activities, services: <ul style="list-style-type: none">• Leisure• Heritage sites• Youth service• Museum service• Outdoor Education• Attractions including Shire Hall; Old Station and Caldicot Castle• Chepstow TIC
Duty to Co-operate	<p>There is an overarching duty for both parties to work in partnership with each other and to collaborate in delivering the services and the public health responsibilities. The parties agree to act in good faith and cooperate with one another to deliver the agreed common objectives. Monmouthshire County Council (MCC) recognise that MonLife will, through the grant funding, be the key source of these services and sites for the public.</p> <p>This Agreement relates solely to the funding of MonLife's delivery of the Services and management of the Facilities and does not preclude MonLife from entering another arrangement with another organisation to assist MonLife in achieving its charitable objects, provided that arrangement does not have an adverse impact on MonLife's ability to deliver under the Grant Agreement.</p>
Length of Term	<p>The Grant Agreement to be 5 years, with a review of the funding every year (or at other times if agreed by both parties), as set out below</p> <p>Both lease and grant agreement to be terminated if the other one is terminated.</p> <p>To be fixed for each 5 year period of the grant agreement prior to review, which would reflect any efficiencies delivered in the business plan and indexation costs.</p>

ISSUE	AGREED POSITION
Funding & Review of Funding	<p>Funding would be provided quarterly in advance (except Year 1, which is to be agreed subject to business plan)</p> <p>The funding will be renegotiated in accordance with the following process (during every 5 year process)</p> <ul style="list-style-type: none"> • In Year 4 [April] – Council confirms the funding, priorities and areas they wish to fund for the subsequent 5 year period • MonLife prepares a draft 5 year funding proposal in response to priorities by [September] in Year 4 • funding proposal and grant of funding discussed between parties • Seek to agree by [December] in Year 4 (15 months prior to end of existing funding period) • If no agreement to future funding then Council voluntary terminates the agreement
Surplus Share	<p>MonLife will prepare its funding proposal which allows for reserves to be developed over time, which can be used for reinvestment in the services and facilities.</p> <p>Once the reserve has reached its funding proposal level then surpluses over and above an agreed level will be shared between Council and MonLife in the proportion of 50:50</p> <p>The agreed level to be set to incentivise MonLife once the funding proposal has been developed, and would be at a level which is above the funding proposal projections</p>
Insurance	<p>Council responsible for organising and paying for Building Insurance</p> <p>MonLife responsible for organising and paying for Employers Liability, Public Liability, contents, business interruption insurances</p>
Opening Hours	<p>At the start of the Grant Agreement, these will be broadly based upon the existing opening hours and will be responsive to customer needs. MonLife shall review periodically.</p>
Programming and Bookings	<p>Protected bookings to be identified, which could include protection of casual use at certain facilities and other groups rather than purely clubs. Schedule to be developed.</p>
Pricing	<p>The Charity has full discretion to establish fees for the Facilities and Services.</p>
Council Use of Facilities	<p>Four leisure centres and Shire Hall to be emergency rest / care centres and Council to be able to use these centres for use in line with Council's business continuity plan, with compensation being paid for loss of income (mitigate by any cost savings)</p> <p>Four leisure centres required for use at elections and for other meetings with the use to be paid for at the standard rate (or community rate for meetings) Other use will be paid for at prevailing rate</p>
Utilities	<p>Council to take tariff risk, over and above inflation (using CPI) or above an agreed level</p> <p>Payments for increased tariff will only be paid if MonLife has not met their target financial levels in the funding proposal. MonLife to take consumption risk.</p>
Service Development	<p>MonLife responsible for delivery of strategic business plan to optimise business opportunities in response to Council outcomes, corporate plan and</p>

ISSUE	AGREED POSITION
	<p>Public Service Board. Plan produced for 5 year period, reviewed and updated annually. Performance monitored and reported quarterly.</p> <p>Annual outcomes report to be prepared setting out how MonLife has delivered against the evaluation framework and key performance indicators.</p>
Policies and Procedures	MonLife will initially adopt policies and procedures of the Council, but will have the discretion following commencement to review and revise this as it sees fit.
Quality of Service	MonLife will be required to achieve and maintain appropriate quality standards.
Customer Service	MonLife will be required to meet reasonable customer care standards in terms of response times and values.
Health and Safety	MonLife will be responsible for Health and Safety at all facilities.
Marketing and use of Council	MonLife will need to establish its own identity however the Council will still be recognised as a key partner.
Change in Law	<p>General change in Law – MonLife responsibility</p> <p>Specific change in Law – Council responsibility</p>
Monitoring & Performance	<p>MonLife to report on the funding proposal and Council to be able to monitor performance. Reports to be presented in a format to be agreed.</p> <p>Annual review of performance and delivery against outcomes – preparation of funding proposals.</p> <p>MonLife may need to attend Members presentations and meetings.</p>
Transfer of additional services	<p>The parties acknowledge the importance of delivering a range of high quality affordable services to benefit the local community. The Council may wish to explore the option of transferring Additional Services to the Trust.</p> <p>In determining which Additional Services the Council wish to transfer to the Trust, the Council shall: act reasonably, in good faith, regard the capacity, resources and expertise of the Trust, and regard the “business fit” of the Additional Service. It is recognised that these will be on a grant funded basis.</p>
Dispute Resolution	<p>Procedure as follows:</p> <ul style="list-style-type: none"> • MonLife Authorised Officer and Council Authorised Officer seek to agree • Chief Executive of MonLife and Chief Executive of Council seek to agree • Third Party determines through mediation • Going to court can only be implemented if mediation fails (unless ability to take proceedings is jeopardised)
Termination	<p>Can be terminated by either party based on default by the other party which would include the following</p> <ul style="list-style-type: none"> • Notice by the Council in the face of funding constraints. • Council default – material breach, non-payment of funding <p>Consequences of termination To follow the requirements under exit and handover</p> <ul style="list-style-type: none"> •
Partial Termination	Council able to partially terminate the services which would link to partial termination of one of the leases.

ISSUE	AGREED POSITION
	Any compensation would be as set out for termination. MonLife unable to partially terminate.
Exit and Handover	MonLife will be required to <ul style="list-style-type: none"> • Deliver the assets associated with the service back to the Council (in the agreed state of repair) • Provide TUPE information • Apportion the costs/income • Cooperate with the Council

2. Leases

ISSUE	AGREED POSITION
Scope of Services	Leases for the following buildings: To be confirmed [Any specific amendments known about]. Drawings to be prepared to include car parks where relevant, although maintenance of car parks may be retained by Council
Length of Term	Leases to be for 7 years The Council will have a right to voluntary terminate the agreement (as set out in the funding and management agreement and lease will terminate on Council using its voluntary right to terminate). Both lease and management agreement to be terminated if the other one is terminated.
Rent	Peppercorn rent
Use of Buildings	Can only be used for its existing use or similar (sport, leisure, tourism, youth and cultural activities) Prohibited uses are any use which would bring Council into disrepute. Change of use would require Council agreement. Sub-letting of buildings is only allowed with agreement of Council (and would be contracted out of the 1954 act), excluding the current contracts and uses. Should not stop MonLife from entering into hire arrangements with clubs, etc.
Partial Termination	Council able to partially terminate one of the leases in the portfolio, as a result of the partial termination of the management agreement. MonLife unable to partially terminate.
Maintenance	Council responsible for building and structural maintenance, including plant replacement and day to day planned maintenance. MonLife responsible for day to day reactive maintenance. Responsibility matrix to be developed based on current responsibilities– will be attached as a schedule to the management and funding agreement
Equipment	All equipment would be under licence to MonLife and responsibilities for the repair and replacement of the equipment would be split in accordance with the Responsibility schedule.

ISSUE	AGREED POSITION
Change in Ownership/ Control of MonLife	Requires Council agreement
Assignment of Lease	Not allowed without agreement of Council
Charges over Lease	Not allowed without agreement of Council
Landlord & Tenant Act 1954	Contracted Out

3. TRANSFER AGREEMENT

ISSUE	AGREED POSITION
Assets	<p>To be confirmed but expected to include</p> <ul style="list-style-type: none"> • Equipment • Membership Data • ICT • Stock • Intellectual Property (if appropriate) <p>Principle is that Council would transfer through licence with expectation of return.</p> <p>Apportionment of income and expenditure allocations at the transfer date to be agreed with a long stop date of 4 months after date of transfer.</p> <p>Joint stock take to be undertaken the day before transfer to agree valuation of stock. Any payments for stock and apportionments to be made within 3 months of transfer.</p>
Pensions	<p>MonLife to obtain admitted body status with GGPS</p> <p>Council to act as guarantor</p> <p>The Pension scheme contribution rate will assume a fully funded Scheme</p> <p>Consideration as to whether it is to be an open or closed scheme.</p> <p>Risk on contribution rates will sit with the party who is in control of the risk, thus any changes in benefits would sit with MonLife</p> <p>Scheme to be returned on a fully funded basis, for the areas which MonLife can control.</p>
Existing Contracts	<p>Will be novated to MonLife</p> <p>Consider if there are any contracts to be retained by Council</p>
Utilities	Transfer of existing contracts for Utilities, with Council acting as Guarantor
Staff	<p>Transferred under TUPE</p> <p>Both parties will have an obligation to consult</p>

ISSUE	AGREED POSITION
	<p>An indemnity will exist in relation to existing liabilities</p> <p>Council will meet all remuneration costs up to the point of transfer</p> <p>Agreement to be sought regarding funding future redundancies costs</p>
Liabilities	Existing debts and liabilities will be excluded from the Transfer
Dispute Resolution	<p>Procedure as follows:</p> <ul style="list-style-type: none"> • MonLife Authorised Officer and Council Authorised Officer seek to agree • Chief Executive of MonLife and Chief Executive of Council seek to agree • Third Party determines through mediation • Going to court can only be implemented if mediation fails

4. SUPPORT SERVICES PROGRAMME

ISSUE	AGREED POSITION
Services	<p>The following services to be provided (to be confirmed). Examples below</p> <ul style="list-style-type: none"> • Payroll Services • HR • Legal Services • IT Management • Health and Safety <p>Services to be provided by Council to be set out in specification with appropriate KPIs. Services can only be provided where there is no conflict of interest.</p>
Length of Agreement	<p>Length to be agreed for an initial term</p> <p>Potential to extend on agreement of both parties, with the need for 6 months' notice if agreement is terminated</p>
Termination	<p>During the initial term the agreement can only be terminated by either party through default on performance.</p> <p>MonLife can terminate if KPIs not delivered. Council can terminate for non-payment of fees.</p>
Charges & Payment	The charges will be as specified in the pricing schedule – will reflect the amounts in Budget for 18/19, subject to review and subject to indexation (CPI)
Dispute Resolution	<p>Procedure as follows:</p> <ul style="list-style-type: none"> • MonLife Authorised Officer and Council Authorised Officer seek to agree • Chief Executive of MonLife and Chief Executive of Council seek to agree • Third Party determines through mediation • Going to court can only be implemented if mediation fails
Review	To be reviewed as part of annual review process

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

MONLIFE

Company No [NUMBER]

[Registered Charity No [NUMBER]]

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
[FULL NAME OF CHARITABLE COMPANY] [LIMITED]
(Adopted by special resolution passed on [DATE])

1. Interpretation

1.1 In these Articles, unless the context otherwise requires:

Act	means the Companies Act 2006;
Articles	means the Charity's articles of association for the time being in force;
Business Day	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
Charities Act	means the Charities Act 2011;
Charity	means MONLIFE, which is a charitable company regulated by the Articles;
Charity Commission	means the Charity Commission for England and Wales;
Circulation Date	in relation to a written resolution, has the meaning given to it in the Act;
Clear days	in relation to a period of notice means a period of days not including the day on which notice was given or deemed to be given and the day for which it is given or on which it is to take effect;
Connected Person	means any person falling within one of the following categories: (a) any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of a Director; or

- (b) the spouse or civil partner of any person in (a); or
- (c) any person who carries on business in partnership with a Director or with any person in (a) or (b); or
- (d) an institution which is controlled by either a Director, any person in (a), (b) or (c), or a Director and any person in (a), (b) or (c), taken together;
- (e) a corporate body in which a Director or any person in (a), (b) or (c) has a substantial interest, or two or more such persons, taken together, have a substantial interest.

Sections 350 to 352 of the Charities Act apply for the purposes of interpreting the terms used in this Article;

Director	means a director of the Charity, and the Directors are charity trustees as defined in the Charities Act;
document	includes, unless otherwise specified, any document sent or supplied in electronic form;
electronic form and electronic means	have the meaning given to such terms in section 1168 of the Act;
Financial Expert	means a person who is reasonably believed by the Directors to be qualified to give advice on investments by reason of his ability in and practical experience of financial and other matters relating to investments;
Member	means a person who is a subscriber to the Memorandum or who is admitted to membership in accordance with the Articles;
Model Articles	means the model articles for private companies limited by guarantee contained in Schedule 2 to the Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>);
Objects	means the objects of the Charity as stated in article 2;
Special resolution	has the meaning given in section 283 of the Act;
United Kingdom	means Great Britain and Northern Ireland; and
writing	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination

of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall not apply to the Charity.

2. Objects

- 2.1 The Charity's objects are restricted specifically, in each case only for the public benefit to:
 - 2.1.1 provide and maintain museums and/or art galleries for the benefit of the public;
 - 2.1.2 advance education by the provision and maintenance of museums and/or art galleries and collections;
 - 2.1.3 promote community participation in healthy recreation for the benefit of the inhabitants of Monmouthshire and visitors to the area, by the provision of facilities for the playing sport;
 - 2.1.4 promote for the benefit of the inhabitants of Monmouthshire and visitors to the area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants;
 - 2.1.5 advance in life and help young people through:
 - (a) the provision of recreational and leisure time activities provided in the interest of social welfare, designed to improve their conditions of life;

- (b) providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals;
 - 2.1.6 act as a resource for young people up to the age of [age] living in Monmouthshire by providing advice and assistance and organising programmes of physical, educational and other activities as a means of advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals, and by advancing education;
 - 2.1.7 advance the education of the inhabitants of Monmouthshire and visitors to the area in particular environmental and outdoor education, including in subjects relating to access to, and the preservation and conservation of, the countryside, and of the health benefits of outdoor recreational pursuits.
- 2.2 Nothing in these Articles shall authorise an application of the property of the Charity for purposes which are not charitable in accordance with any statutory provision regarding the meaning of the word “charitable” or the words “charitable purposes” in force in any part of the United Kingdom.

3. Powers

- 3.1 In pursuance of the Objects, but not further or otherwise, the Charity has the power to:
- 3.1.1 accept (or disclaim) any gift of money, legacy or other property;
 - 3.1.2 raise funds by way of subscription, donation or otherwise;
 - 3.1.3 trade in the course of carrying out the Objects and carry out any other trade which is not expected to give rise to taxable profits;
 - 3.1.4 establish or purchase companies to carry on any trade;
 - 3.1.5 sell, lease or otherwise dispose of all or any part of the Charity’s real or personal property and any and all rights of the Charity, subject to such consents as may be required by law;
 - 3.1.6 borrow or raise money and to give security for money borrowed or grants or other obligations by mortgage, charge, lien or other security on the Charity’s property and assets, subject to such consents as may be required by law;
 - 3.1.7 lend and give credit to, take security for such loans or credit and enter into guarantees or give security for the performance of contracts by any person or company;
 - 3.1.8 buy, lease, hire or otherwise acquire and deal with any real or personal property and any rights or privileges of any kind over or in respect of any real or personal property and maintain, alter, improve, manage, develop, construct, repair or equip it for use;

- 3.1.9 set aside funds for particular purposes or as reserves against future expenditure;
- 3.1.10 deposit or invest funds with all the powers of a beneficial owner, but to invest only after obtaining advice from a Financial Expert, having regard to the suitability of investments and the need for diversification;
- 3.1.11 delegate the management of investments to a Financial Expert, but only on terms that:
 - (a) the Charity's investment policy is set down in writing by the Directors for the Financial Expert;
 - (b) all transactions are reported promptly and regularly to the Directors;
 - (c) investment performance is reviewed regularly with the Directors;
 - (d) the delegation arrangement may be cancelled by the Directors at any time;
 - (e) a review of the investment policy and the delegation arrangement shall be carried out at least annually;
 - (f) all payments due to the Financial Expert fall within a scale or a level which is agreed in advance and are notified promptly to the Directors on receipt;
 - (g) the Financial Expert must not do anything outside the powers of the Charity;
- 3.1.12 arrange for the investments or other property of the Charity to be held in the name of a nominee (meaning a corporate body registered or having an established place of business in the United Kingdom) which is either under the control of the Directors or of a Financial Expert acting on their instructions, and to pay any reasonable fee required;
- 3.1.13 co-operate with other bodies and to exchange information and advice with them;
- 3.1.14 establish or support or aid in the establishment and support of any organisation formed for objects similar to any or all of the Objects;
- 3.1.15 enter into partnership or other arrangement with any other body with objects similar to any or all of the Objects;
- 3.1.16 acquire, amalgamate or merge with, or undertake all or any of the property, liabilities and engagements of any body with objects similar to any or all of the Objects;
- 3.1.17 enter into contracts to provide services to or on behalf of other bodies;
- 3.1.18 provide or procure the provision of advice;
- 3.1.19 publish and distribute books, pamphlets, reports, leaflets, journals, films, tapes, instructional matter and any other form of information in or on any media;

- 3.1.20 promote, undertake and commission research, surveys, studies or other work and to disseminate the useful results;
- 3.1.21 subject to article 4.2:
 - (a) employ and remunerate any person or persons as necessary for the proper pursuit of the Objects; and
 - (b) make reasonable provision for the payment of pensions for employees and their dependents;
- 3.1.22 take out such insurance policies as are necessary to protect the Charity;
- 3.1.23 provide indemnity insurance for the Directors or any other officer of the Charity in accordance with and subject to the conditions in section 189 of the Charities Act;
- 3.1.24 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 3.1.25 organise and assist in the provision of conferences, courses of instruction, exhibitions, lectures and other educational activities;
- 3.1.26 provide and assist in the provision of money, materials or other aid;
- 3.1.27 act as trustee and to undertake and execute charitable trusts;
- 3.1.28 amalgamate or merge with or acquire or undertake all or any of the property, liabilities and engagements of any body having objects similar to the Objects;
- 3.1.29 pay out of the funds of the Charity the costs incurred in connection with the formation and registration of the Charity as a company and as a charity; and
- 3.1.30 do anything lawful which is calculated to further the Objects or is conducive or incidental to doing so.

4. Application of income and property

- 4.1 The income and property of the Charity shall only be applied to promote the Objects.
- 4.2 Except as provided below, no part of the income or property of the Charity may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any Member of the Charity. This shall not prevent any payment in good faith by the Charity of:
 - 4.2.1 a benefit to any Member in the capacity of a beneficiary of the Charity;
 - 4.2.2 reasonable and proper remuneration to any Member for any goods or services supplied to the Charity, provided that article 5. applies if such a Member is a Director;
 - 4.2.3 interest on money lent by a Member to the Charity at a reasonable and proper rate;

- 4.2.4 reasonable and proper rent for premises demised or let by a Member to the Charity; and
- 4.2.5 any payment to a Member who is also a Director which is permitted under article 5.

5. Benefits and payments to Directors and Connected Persons

- 5.1 Subject to the rest of this article 5, a Director:
 - 5.1.1 is entitled to be reimbursed reasonable out-of-pocket expenses properly incurred when acting on behalf of the Charity;
 - 5.1.2 may benefit from trustee indemnity insurance purchased by the Charity in accordance with section 189 of the Charities Act;
 - 5.1.3 may receive payment under an indemnity from the Charity in the circumstances set out in article 37;
 - 5.1.4 may not receive any other benefit or payment from the Charity unless it is authorised by this article 5.
- 5.2 No Director who is also a member of a local authority (and for twelve months after he ceases to be a member of a local authority) shall be entitled to be reimbursed to expenses under article 5.1.
- 5.3 Any Director who is also an employee of a local authority and appointed in connected with such employment may claim expenses in line with their contracts of employment with the local authority.
- 5.4 Unless the benefit or payment is permitted under article 5.5, no Director (including a Member who is also a Director) or Connected Person may:
 - 5.4.1 buy any goods or services from the Charity on terms preferential to those applicable to members of the public;
 - 5.4.2 sell goods, services, or any interest in land to the Charity;
 - 5.4.3 be employed by, or receive any remuneration from, the Charity; or

- 5.4.4 receive any other financial benefit from the Charity.
- 5.5 A Director or a Connected Person may:
- 5.5.1 receive a benefit from the Charity in the capacity of a beneficiary of the Charity provided that a majority of the Directors do not benefit in this way;
 - 5.5.2 enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Charity where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act;
 - 5.5.3 subject to article 5.6, enter into a contract for the supply of goods to the Charity that are not supplied in connection with services provided to the Charity by the Director or Connected Person;
 - 5.5.4 receive reasonable and proper rent for premises let to the Charity;
 - 5.5.5 receive interest at a reasonable and proper rate on money lent to the Charity;
 - 5.5.6 take part in the normal trading and fundraising activities of the Charity on the same terms as members of the public; and
 - 5.5.7 receive or retain any payment for which prior written authorisation has been obtained from the Commission.
- 5.6 The Charity and its Directors may only rely upon the authority provided by article 5.5.3 if each of the following conditions is satisfied:
- 5.6.1 the amount or maximum amount of the payment for the goods:
 - (a) is set out in an agreement in writing between the Charity and the Director or Connected Person supplying the goods (the “**Supplier**”) under which the Supplier is to supply the goods in question to the Charity;
 - (b) does not exceed what is reasonable in the circumstances for the supply of the goods in question;
 - 5.6.2 the other Directors are satisfied that it is in the best interests of the Charity to contract with the Supplier rather than someone who is not a Director or Connected Person. In reaching that decision, which must be recorded in the minutes of the meeting, the Directors must balance the advantages of contracting with a Director against the disadvantages of doing so;
 - 5.6.3 the Supplier:
 - (a) is absent from the part of the meeting at which there is discussion of the proposal to enter into a contract or arrangement with regard to the supply of goods to the Charity by them;
 - (b) does not vote on any such matter and is not counted when calculating whether a quorum of Directors is present at the meeting; and
 - 5.6.4 a majority of the Directors then in office are not in receipt of remuneration or payments authorised by article 5.

- 5.7 In article 5.5 and article 5.6, the “Charity” includes any company:
- 5.7.1 in which the Charity holds more than 50% of the shares; or
 - 5.7.2 in which the Charity controls more than 50% of the voting rights attached to the shares; or
 - 5.7.3 to which the Charity has the right to appoint one or more Directors.
- 5.8 A Director’s duty under the Act to avoid a conflict of interest with the Charity does not apply to any transaction authorised by this article 5.

6. Winding up

- 6.1 On the winding up or dissolution of the Charity, after provision has been made for all its debts and liabilities, any assets or property that remain (the “**Charity’s remaining assets**”) shall not be paid or distributed to the Members (except to a Member that is itself a charity and qualifies to benefit under this Article) but shall be applied or transferred:
- 6.1.1 directly for one or more of the Objects;
 - 6.1.2 to any charity or charities for purposes similar to the Objects; or
 - 6.1.3 to any charity or charities for particular purposes falling within the Objects.
- 6.2 The decision on who is to benefit from the Charity’s remaining assets, pursuant to article 6.1, may be made by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the Directors at or before the time of winding up or dissolution.
- 6.3 In the event that no resolution is passed by the Members or by the Directors in accordance with this Article, the Charity’s remaining assets shall be applied for charitable purposes as directed by the court or the Charity Commission.

7. Liability of members

The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Charity in the event of its being wound up while they are a Member or within one year after they cease to be a Member, for:

- 7.1.1 payment of the Charity’s debts and liabilities contracted before they cease to be a Member;
- 7.1.2 payment of the costs, charges and expenses of the winding up; and
- 7.1.3 adjustment of the rights of the contributories among themselves.

8. Members

- 8.1 The Charity shall admit to membership an individual who or an organisation which:

- 8.1.1 applies to the Charity using the application process approved by the Directors;
and
- 8.1.2 is approved by the Directors.
- 8.2 The Directors may in their absolute discretion accept or decline to accept any application for membership and need not give reasons for doing so.
- 8.3 The Charity shall maintain a register of Members and any person ceasing to be a Member shall be removed from the register.
- 8.4 Membership is not transferable.
- 8.5 The Directors may establish different classes of membership and set out different rights and obligations for each class, with such rights and obligations recorded in the register of Members, but shall not be obliged to accept any person fulfilling those criteria as a Member.

9. Termination of membership

- 9.1 A Member shall cease to be a Member if:
 - 9.1.1 the Member dies or, if it is an organisation, ceases to exist;
 - 9.1.2 the Member resigns by giving notice to the Charity in writing[, unless the resignation would cause there to be fewer than [three] Members];
 - 9.1.3 any subscription or other sum payable by the Member to the Charity remains unpaid within six months of it falling due and the Charity notifies the Member in writing of the termination of their membership;
 - 9.1.4 the Member is removed from membership by a resolution of the Directors that it is in the best interests of the Charity that the membership is terminated. Such a resolution may not be passed unless:
 - (a) the Member has been given at least [14] clear days' notice in writing of the meeting of the Directors at which the resolution will be proposed and the reasons why it will be proposed; and
 - (b) the Member or, at the option of the Member, the Member's representative (who need not be a Member of the Charity) has been given a reasonable opportunity to make representations to the meeting either in person or in writing. The Directors must consider any representations made by the Member (or the Member's representative) and inform the Member of their decision following such consideration. [There shall be no right of appeal from a decision of the Directors to terminate the membership of a Member.]

A Member removed from membership by such a resolution shall remain liable to pay to the Charity any subscription or other sum owed by them and shall not

be entitled to a refund of any such subscription or other sum paid by them to the Charity.

9.1.5 where the Member is a Director, the Member ceases to be a Director.

10. Annual general meetings

10.1 The Charity shall hold its first annual general meeting within 18 months of its incorporation and in each subsequent year, with not more than 15 months elapsing between successive annual general meetings.

10.2 Each notice calling an annual general meeting shall specify the meeting as such and each annual general meeting shall take place at such time and place as the Directors shall think fit.

10.3 The business at an annual general meeting shall include:

10.3.1 the consideration of the accounts, balance sheets, reports of the Directors and auditors;

10.3.2 the retirement, appointment or re-appointment of Directors in accordance with article 20.1 to article 20.4; and

10.3.3 the appointment of the auditors.

11. Notice of general meetings

11.1 General meetings, including the annual general meeting, are called on a minimum of 14 clear days' notice.

11.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote at the meeting, being a majority who together hold not less than 90% of the total voting rights.

11.3 The notice shall specify the date, time and place of the meeting and the general nature of the business to be transacted. It shall also include a statement pursuant to the Act setting out the right of Members to appoint proxies.

11.4 The notice shall be given to:

11.4.1 each Member;

11.4.2 each Director; and

11.4.3 the auditor for the time being of the Charity.

11.5 Proceedings at a general meeting shall not be invalidated because a person entitled to receive notice of the meeting did not receive it because of an accidental omission by the Charity.

12. Proceedings at general meetings

12.1 Every general meeting of the Charity shall have a chair:

12.1.1 The chair of Directors shall chair general meetings of the Charity or, if the chair of Directors is absent, the vice-chair of Directors shall act as chair.

12.1.2 If neither the chair nor the vice-chair of Directors is present within 15 minutes of the time appointed for the meeting, a Director elected by the Directors present shall chair the meeting.

12.1.3 If there is only one Director present and willing to act, that Director shall chair the meeting.

12.1.4 If no Director is present and willing to chair the meeting within 15 minutes of the time appointed for the meeting, the Members present shall choose one of their number to chair the meeting.

12.2 No business shall be transacted at any general meeting unless a quorum is present.

12.3 A quorum is:

12.3.1 [NUMBER] Members who are present in person or by proxy or through their duly authorised representatives and who are entitled to vote on the business to be conducted at the meeting; or

12.3.2 one-tenth of the total membership at the time,
whichever is the greater.

12.4 If within 30 minutes from the time appointed for the meeting a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting shall be adjourned until such other date, time and place as the Directors shall determine. If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting, those Members present in person or by proxy and entitled to vote shall be a quorum.

12.5 The chair of a general meeting may adjourn such a meeting when a quorum is present, if the meeting consents to an adjournment, and shall adjourn such a meeting if directed to do so by the meeting. The chair shall specify either that the meeting:

12.5.1 is to be adjourned to a particular date, time and place; or

12.5.2 shall be adjourned to a date, time and place to be appointed by the Directors;

and shall have regard to any directions as to date, time and place which have been given by the meeting.

12.6 If the meeting is adjourned until more than 14 days after the date on which it was adjourned, the Charity shall give at least seven clear days' notice of it to the same persons to whom notice of the Charity's general meetings is required to be given and containing the same information which such notice is required to contain.

12.7 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

13. Voting at general meetings

13.1 A vote on a resolution proposed at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded.

13.2 On a show of hands or on a poll, every Member, whether an individual or an organisation, shall have one vote.

13.3 Any objection to the qualification of any voter must be raised at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any such objection must be referred to the chair of the meeting whose decision is final.

13.4 Unless a poll is demanded, the declaration of the chair of the result of the vote and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact and the number or proportion of votes cast in favour or against need not be recorded.

13.5 A poll may be demanded by:

13.5.1 the chair of the meeting;

13.5.2 the Directors;

13.5.3 two or more persons having the right to vote on the resolution; or

13.5.4 a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.

13.6 A demand for a poll may be withdrawn if:

13.6.1 the poll has not yet been taken, and

13.6.2 the chair of the meeting consents to the withdrawal.

13.7 A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.

13.8 Otherwise, a poll demanded must be taken either immediately or at such time and place as the chair of the meeting directs, provided that it is taken within [30] days after it was demanded. If not taken immediately, either the time and place at which it is to be taken shall be announced at the meeting at which it was demanded or at least [seven] clear days' notice shall be given specifying the time and place at which the poll is to be taken.

13.9 The poll shall be conducted in such manner as the chair directs and the chair may fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

13.10 If a poll is demanded, this shall not prevent the meeting from continuing to deal with any other business that may be conducted at the meeting.

14. Proxies

- 14.1 A Member is entitled to appoint another person as a proxy to exercise all or any of the Member's rights to attend and to speak and vote at a meeting of the Charity.
- 14.2 Proxies may only be validly appointed by a notice in writing (a "**proxy notice**") which:
- 14.2.1 states the name and address of the Member appointing the proxy;
 - 14.2.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
 - 14.2.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 14.2.4 is delivered to the Charity in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or any adjourned meeting) to which they relate.
- A proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion, accept the notice at any time before the meeting.
- 14.3 The Charity may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 14.4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 14.5 Unless a proxy notice indicates otherwise, it must be treated as:
- 14.5.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 14.5.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates, as well as the meeting itself.
- 14.6 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Charity by or on behalf of that person.
- 14.7 An appointment under a proxy notice may be revoked by delivering to the Charity a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 14.8 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 14.9 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

15. Members which are organisations

- 15.1 An organisation which is a Member of the Charity may authorise any person to act as its representative at any meeting of the Charity and to exercise, on behalf of the organisation, the rights of the organisation as a member.
- 15.2 The organisation must give written notice of the name of its representative to the Charity and, in the absence of such notice, the Charity shall not be obliged to recognise the entitlement of the organisation's representative to exercise the rights of the organisation at general meetings. Having received such notice, the Charity shall consider that the person named in it as the organisation's representative shall continue to be its representative until written notice to the contrary is received by the Charity.
- 15.3 The Charity shall be entitled to consider that any notice received by it in accordance with article 15.2 is conclusive evidence that the representative is entitled to represent the organisation and that his authority has not been revoked. The Charity shall not be required to consider whether the representative has been properly authorised by the organisation.

16. Written resolutions

- 16.1 Subject to article 16.4, a written resolution of the Members passed in accordance with this article 16. shall have effect as if passed by the Members in a general meeting. A written resolution is passed:
- 16.1.1 as an ordinary resolution if it is passed by a simple majority of the eligible Members; or
 - 16.1.2 as a special resolution if it is passed by Members representing not less than 75% of the eligible Members. A written resolution is not a special resolution unless it states that it was proposed as a special resolution.
- 16.2 Where a resolution is proposed as a written resolution of the Charity, the eligible Members are the Members who would have been entitled to vote on the resolution on the Circulation Date of the resolution.
- 16.3 Any resolution of the Members for which the Act does not specify whether it is to be passed as an ordinary resolution or as a special resolution shall be passed as an ordinary resolution.
- 16.4 A Members' resolution under the Act removing a Director or an auditor before the expiration of his term of office may not be passed as a written resolution.
- 16.5 A copy of the written resolution must be sent to every Member together with a statement informing the Member how to signify their agreement to the resolution and the date by which the resolution must be passed if it is not to lapse.
- 16.6 A Member signifies their agreement to a proposed written resolution when the Charity receives from them (or from someone acting on their behalf) an authenticated document

identifying the resolution to which it relates and indicating the Member's agreement to the resolution. A Member's agreement to a proposed written resolution, once signified, cannot be revoked. For these purposes:

- 16.6.1 if the document is sent to the Charity in hard copy form, it is authenticated if it bears the signature of the person sending it;
 - 16.6.2 if the document is sent to the Charity in electronic form, it is authenticated if the identity of the sender is confirmed in a manner specified by the Charity or, where no such manner has been specified by the Charity, if it is accompanied by a statement of the identity of the sender and the Charity has no reason to doubt the truth of that statement.
- 16.7 A written resolution is passed when the required majority of eligible Members have signified their agreement to it. In the case of a Member that is an organisation, its authorised representative may signify its agreement.
- 16.8 A proposed written resolution shall lapse if it is not passed within [28] days beginning with the Circulation Date.
- 16.9 Communications in relation to written resolutions shall be sent to the Charity's auditors in accordance with the Act.
- 16.10 The Members may require the Charity to circulate a resolution that may properly be moved and is proposed to be moved as a written resolution in accordance with sections 292 and 293 of the Act.

17. Directors

- 17.1 Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than [three].
- 17.2 The first Directors shall be those persons whose names are notified to Companies House as the first Directors on incorporation.
- 17.3 A Director may not appoint an alternate director or anyone to act on their behalf at meetings of the Directors.

18. Powers of Directors

- 18.1 Subject to the provisions of the Act, the Articles and any special resolution, the Directors shall be responsible for the management of the Charity's business and may exercise all the powers of the Charity for that purpose.
- 18.2 No alteration of the Articles or any special resolution shall invalidate any prior act of the Directors.
- 18.3 A meeting of the Directors at which a quorum is present may exercise all the powers exercisable by the Directors.

19. Appointment of Directors

- 19.1 Any person who is willing to act as a Director, and who is permitted by law to do so, may be appointed to be a Director by:
- 19.1.1 ordinary resolution; or
 - 19.1.2 by resolution of the Directors.
- 19.2 In any case where, as a result of death, the Charity has no Members and no Directors, the personal representatives of the last Member to have died have the right, by notice in writing, to appoint a person to be a Director.
- 19.3 For the purposes of Article 19.2, where two or more Members die in circumstances rendering it uncertain who was the last to die, a younger Member is deemed to have survived an older Member.
- 19.4 Where a maximum number of Directors has been fixed, the appointment of a Director must not cause that number to be exceeded.

20. Retirement of Directors

- 20.1 At every annual general meeting the following Directors shall retire from office, but may, subject to this article 20., offer themselves for reappointment by the Members:
- 20.1.1 one-third, or, if their number is not divisible by three, the number nearest to one-third, of the Directors who are to retire by rotation under article 20.2; and
 - 20.1.2 any Director appointed under article 19.1.2 since the previous annual general meeting.
- 20.2 The Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment. As between persons who were appointed or last reappointed on the same day, those to retire shall (unless they agree otherwise among themselves) be determined by drawing lots. A Director appointed under article 19.1.2 shall not be taken into account in determining the Directors who are to retire by rotation.
- 20.3 Other than a Director retiring under article 20.1.1, no person may be appointed a Director at any general meeting unless:
- 20.3.1 that person is recommended by the Directors; or
 - 20.3.2 not less than 14 nor more than 35 clear days before the date of the meeting, the Charity has received a notice, signed by a Member entitled to vote at the meeting, which:
 - (a) indicates the Member's intention to propose the appointment of a person as a Director;
 - (b) states the details of that person which, if they were appointed, would be required to be recorded in the Charity's register of Directors; and

- (c) is signed by the person to be proposed to show their willingness to be appointed.

- 20.4 All those who are entitled to receive notice of a general meeting shall, not less than seven nor more than 28 clear days before the date of the meeting, be given notice of any proposal to appoint or reappoint a Director at the meeting, whether on the recommendation of the Directors or because the Charity has received notice, pursuant to article 20.3.2, of a Member's intention to propose an appointment. The requirement to give notice under this article 20.4 shall not apply in the case of a Director who is to retire by rotation and seek reappointment.
- 20.5 No Director shall serve for more than [nine] consecutive years, unless the Directors consider it would be in the best interests of the Charity for a particular Director to continue to serve beyond that period and that Director is reappointed in accordance with the Articles.
- 20.6 If a Director is required to retire at an annual general meeting by a provision of the Articles the retirement shall take effect upon the conclusion of the meeting.

21. Disqualification and removal of Directors

A Director shall cease to hold office if they:

- 21.1.1 are removed by ordinary resolution of the Charity pursuant to the Act;
- 21.1.2 cease to be a Director by virtue of any provision in the Act or are prohibited by law from being a Director;
- 21.1.3 are disqualified from acting as a charity trustee by virtue of the Charities Act;
- 21.1.4 [cease to be a Member of the Charity;]
- 21.1.5 have a bankruptcy order made against them or a composition is made with their creditors generally in satisfaction of their debts;
- 21.1.6 in the written opinion of a registered medical practitioner who is treating the Director, have become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 21.1.7 resign by written notice to the Charity, provided that at least [three] Directors will remain in office once the resignation takes effect; or
- 21.1.8 are removed from office by a resolution of the Directors that it is in the best interests of the Charity that their office be vacated passed at a meeting at which at least [half] of the Directors are present. Such a resolution must not be passed unless:
 - (a) the Director has been given at least [14] clear days' notice in writing of the meeting of the Directors at which the resolution will be proposed and the reasons why it will be proposed; and

- (b) the Director has been given a reasonable opportunity to make representations to the meeting either in person or in writing. The other Directors must consider any representations made by the Director (or the Director's representative) and inform the Director of their decision following such consideration. There shall be no right of appeal from a decision of the Directors to terminate the Directorship of a Director.

22. Proceedings of Directors

- 22.1 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit.
- 22.2 Acts done by a meeting of the Directors or of a committee or by a person acting as a Director shall not be invalidated by the subsequent realisation that:
 - 22.2.1 the appointment of any such Director or person acting as a Director was defective; or
 - 22.2.2 any or all of them were disqualified; or
 - 22.2.3 any or all of them were not entitled to vote on the matter.

23. Calling a Directors' meeting

- 23.1 Any Director may call a meeting of the Directors by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.
- 23.2 Notice of a meeting of the Directors must be given to each Director, but need not be in writing. The notice must specify:
 - 23.2.1 the time, date and place of the meeting;
 - 23.2.2 the general particulars of the business to be considered at the meeting; and
 - 23.2.3 if it is anticipated that the Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

24. Participation in Directors' meetings

- 24.1 Any Director may participate in a meeting of the Directors in person or by means of video conference, telephone or any suitable electronic means agreed by the Directors and by which all those participating in the meeting are able to communicate with all other participants.
- 24.2 If all the Directors participating in the meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

25. Quorum for Directors' meetings

- 25.1 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, provided it shall not be less than [two] and, unless otherwise fixed, it is [two].
- 25.2 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 25.3 If the total number of Directors for the time being is less than the quorum required for decision-making by the Directors, the Directors shall not take any decision other than a decision to:
- 25.3.1 appoint further Directors; or
 - 25.3.2 call a general meeting so as to enable the members to appoint further Directors.

26. Chairing Directors' meetings

- 26.1 The Directors shall appoint one of their number as chair of Directors and may determine the length of term for which the chair of Directors is to serve in that office, although that term may be renewed or extended. On the same basis, the Directors may also appoint one of their number as vice-chair of Directors.
- 26.2 If at any meeting of the Directors neither the chair nor vice-chair of Directors, if any, is participating in the meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair the meeting.
- 26.3 The Directors may terminate the appointment of a chair or any vice-chair of Directors at any time.

27. Decision-making by Directors

- 27.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 28.
- 27.2 Each Director has one vote on each matter to be decided, except for the chair of the meeting who, in the event of an equality of votes, shall have a second or casting vote (unless, in accordance with the Articles, the chair of the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes).

28. Unanimous decisions by Directors

- 28.1 A decision of the Directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.

- 28.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- 28.3 References in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- 28.4 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting.

29. Delegation by Directors

- 29.1 The Directors may delegate, on such terms of reference as they think fit, any of their powers or functions to any committee comprising two or more Directors.
- 29.2 The Directors may delegate the implementation of their decisions or day-to-day management of the affairs of the Charity to any person or committee.
- 29.3 The terms of reference of a committee may include conditions imposed by the Directors, including that:
- 29.3.1 the relevant powers are to be exercised exclusively by the committee to whom the Directors delegate; and
 - 29.3.2 no expenditure or liability may be incurred on behalf of the Charity except where approved by the Directors or in accordance with a budget previously agreed by the Directors.
- 29.4 Persons who are not Directors may be appointed as members of a committee, subject to the approval of the Directors.
- 29.5 Every committee shall act in accordance with the terms of reference on which powers or functions are delegated to it and, subject to that, committees shall follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.
- 29.6 The terms of any delegation to a committee shall be recorded in the minute book.
- 29.7 The Directors may revoke or alter a delegation.
- 29.8 All acts and proceedings of any committee shall be fully and promptly reported to the Directors.

30. Conflicts of interests

- 30.1 A Director must declare the nature and extent of any interest, direct or indirect, which they have in a proposed transaction or arrangement with the Charity or in any transaction or arrangement entered into by the Charity which has not previously been declared.
- 30.2 A Director must absent themselves from any discussions of the Directors in which it is possible that a conflict will arise between their duty to act solely in the interests of the

Charity and any personal interest (including, but not limited to, any personal financial interest).

30.3 If a conflict of interests arises for a Director because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the Articles, the unconflicted directors may authorise such a conflict of interests where the following conditions apply:

30.3.1 the conflicted director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;

30.3.2 the conflicted director does not vote on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting; and

30.3.3 the unconflicted directors consider it is in the interests of the charity to authorise the conflict of interests in the circumstances applying.

In this article 30.3 a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a director or to a connected person.

31. Secretary

31.1 The Directors may appoint any person who is willing to act as the secretary for such term at such remuneration and on such conditions as the Directors think fit. From time to time the Directors may decide to remove such person and to appoint a replacement.

31.2 A secretary who is also a Director may not be remunerated, otherwise than as permitted by these Articles.

32. Minutes

The Directors shall cause the Charity to keep the following records in writing and in permanent form:

32.1.1 minutes of proceedings at general meetings;

32.1.2 minutes of meetings of the Directors and of committees of the Directors, including the names of the Directors present at each such meeting;

32.1.3 copies of resolutions of the Charity and of the Directors, including those passed otherwise than at general meetings or at meetings of the Directors; and

32.1.4 particulars of appointments of officers made by the Directors.

33. [Seal

- 33.1 The seal, if any, may only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors.
- 33.2 The Directors may determine by what means and in what form the seal is to be used.
- 33.3 Unless otherwise decided by the Directors, if the seal is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 33.4 For the purposes of this Article, an authorised person is:
- 33.4.1 any Director;
 - 33.4.2 the secretary (if any); or
 - 33.4.3 any person authorised by the Directors for the purpose of signing documents to which the seal is applied.]

34. Records and accounts

- 34.1 The Directors shall comply with the requirements of the Act and the Charities Act as to maintaining a Members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Charity Commission of:
- 34.1.1 annual reports;
 - 34.1.2 annual returns; and
 - 34.1.3 annual statements of account.
- 34.2 Accounting records relating to the Charity must be made available for inspection by any Directors at any reasonable time during normal office hours.
- 34.3 A copy of the Charity's latest available statement of account shall be supplied on request to any Director or Member, or to any other person who makes a written request and pays the Charity's reasonable costs of fulfilling the request, within two months of such request.

35. Communications

- 35.1 The Charity may deliver a notice or other document to a Member:
- 35.1.1 by delivering it by hand to the address recorded for the Member in the register of Members;
 - 35.1.2 by sending it by post or other delivery service in an envelope (with postage or delivery paid) to an address recorded for the Member in the register of Members;
 - 35.1.3 by fax to a fax number notified by the Member in writing;

- 35.1.4 by electronic mail to an address notified by the Member in writing;
- 35.1.5 by a website, the address of which shall be notified to the Member in writing; or
- 35.1.6 by advertisement in at least two national newspapers.
- 35.2 This Article does not affect provisions in any relevant legislation or the Articles requiring notices or documents to be delivered in a particular way.
- 35.3 If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the Member.
- 35.4 If a notice or document is sent:
- 35.4.1 by post or other delivery service in accordance with article 35.1.2, it is treated as being delivered:
- (a) 24 hours after it was posted, if first class post was used; or
 - (b) 72 hours after it was posted or given to delivery agents, if first class post was not used;
- provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was:
- (c) properly addressed; and
 - (d) put into the post system or given to delivery agents with postage or delivery paid.
- 35.4.2 by fax, it is treated as being delivered at the time it was sent;
- 35.4.3 by electronic mail, it is treated as being delivered at the time it was sent;
- 35.4.4 by a website, it is treated as being delivered when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

- 35.5 If a notice is given by advertisement, it is treated as being delivered at midday on the day when the last advertisement appears in the newspapers.

36. Irregularities

The proceedings of any meeting or the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including by accidental omission to give or any non-receipt of notice) or want of qualification in any of the persons present or voting or by reason of any business being considered which is not specified in the notice.

37. Indemnity

37.1 Subject to article 37.2, but without prejudice to any indemnity to which they may otherwise be entitled:

37.1.1 every Director or former director of the Charity shall be indemnified out of the assets of the Charity in relation to any liability they incur in that capacity; and

37.1.2 every other officer or former officer of the Charity may be indemnified out of the assets of the Charity in relation to any liability they incur in that capacity.

37.2 This Article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

38. Rules

38.1 The Directors may from time to time establish such rules as they may consider necessary for or conducive to the effective operation of the Charity. In particular, but without prejudice to the generality of the above, such rules may regulate:

38.1.1 the admission of Members of the Charity, their rights and privileges and other conditions of membership;

38.1.2 the conduct of Members in relation to one another and to the Charity's employees and volunteers; and

38.1.3 the procedure at general meetings and meetings of the Directors and committees to the extent that such procedure is not regulated by the Act or by the Articles.

38.2 The Charity in general meeting may alter, add to or repeal the rules by special resolution.

38.3 The rules shall be binding on all Members and no rule shall be inconsistent with or shall affect or repeal anything contained in the Articles.

Dated

2018

Articles of association

of

MonLife Trading Limited

Anthony Collins Solicitors LLP

134 Edmund Street

Birmingham B3 2ES

Tel: 0121 200 3242

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Ref: GEM 43856.0001

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The Companies Act 2006

Private Company Limited by Shares

Articles of association of MonLife Trading Limited

Part 1 interpretation and limitation of liability

1 Defined terms and interpretation

1.1 In the articles, unless the context requires otherwise:

address	has the meaning given in section 1148 of the Companies Act 2006;
articles	means the company's articles of association;
bankruptcy	includes individual insolvency proceedings (and in relation to a corporate person, includes corporate insolvency proceedings) in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy (or insolvency, liquidation or winding up in relation to corporate entities);
chairman	has the meaning given in article 15;
chairman of the meeting	has the meaning given in article 43;
clear days	in relation to a notice, excludes the day the notice is deemed under the articles to be given and the day on which the specified period expires;
Companies Acts	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
director	means a director of the company, and includes any person occupying the position of director, by whatever name called;
distribution recipient	has the meaning given in article 35;
document	includes, unless otherwise specified, any document sent or supplied in electronic form;
electronic form	has the meaning given in section 1168 of the Companies Act 2006;
electronic means	has the meaning given in section 1168 of the Companies Act 2006;

eligible director	has the meaning given in article 11;
fully paid	in relation to a share means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;
group	means the company, any subsidiary of the company, any company of which the company is a subsidiary (its holding company) and any other subsidiaries of any such holding company and member of the group shall mean any of them;
hard copy form	has the meaning given in section 1168 of the Companies Act 2006
holder	in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
instrument	means a document in hard copy form;
model articles	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the date of adoption of these articles, and reference to a numbered model article is a reference to the relevant article in the model articles;
ordinary resolution	has the meaning given in section 282 of the Companies Act 2006;
paid	means paid or credited as paid;
parent company	means MonLife being the sole shareholder of the company being the registered holder of 100% of the nominal value of the shares;
participate	in relation to a directors' meeting, has the meaning given in article 13;
proxy notice	has the meaning given in article 49;
relevant officer	means any person who is or was at any time a director, secretary or other officer (except an auditor) of the company or of any undertaking in the same group as the company;
shares	means shares in the company;
special resolution	has the meaning given in section 283 of the Companies Act 2006;
subsidiary	has the meaning given in section 1159 of the Companies Act 2006;
transmittee	means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law; and
writing	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 The model articles are excluded.
- 1.3 Unless the context otherwise requires, other words or expressions contained in the articles bear the same meaning as in the Companies Act 2006 as in force on the date when the articles become binding on the company.
- 1.4 Except where the contrary is stated or the context otherwise requires, any reference in the articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.
- 1.5 The words 'include', 'includes' and 'including' or similar words are deemed to be followed by the words 'without limitation' and shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible.
- 1.6 Words importing the singular number include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

2 Name

- 2.1 The Company's name is MonLife Trading Limited.

3 Registered Office

- 3.1 The Registered Office is to be situated in England and Wales.

4 Powers

- 4.1 The company may do anything that a natural or corporate person can lawfully do which is not expressly prohibited by the articles.

5 Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

Part 2 Directors

Directors' Powers and Responsibilities

6 Directors' general authority

- 6.1 Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

7 Members' reserve power

- 7.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 7.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

8 Directors may delegate

- 8.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- 8.1.1 to such person or committee;
- 8.1.2 by such means (including by power of attorney);
- 8.1.3 to such an extent;
- 8.1.4 in relation to such matters or territories; and
- 8.1.5 on such terms and conditions

as they think fit. The power to delegate shall be effective in relation to the powers, authorities and discretions of the directors generally and shall not be limited by the fact that in certain of the articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the directors or by a committee authorised by the directors.

- 8.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 8.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

9 Committees

- 9.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 9.2 A member of a committee need not be a director.

- 9.3 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

Decision-making by directors

10 Directors to take decisions collectively

- 10.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 11.

- 10.2 If:

10.2.1 the company only has one director; and

10.2.2 no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

11 Unanimous decisions

- 11.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

- 11.2 Such a decision may take the form of a resolution in writing signed by each eligible director (whether or not each signs the same document) or to which each eligible director has otherwise indicated agreement in writing.

- 11.3 References in the articles to **eligible directors** are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but excluding any director whose vote is not to be counted in respect of that particular matter).

- 11.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

12 Calling a directors' meeting

- 12.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

- 12.2 Notice of any directors' meeting must indicate:

12.2.1 its proposed date and time;

12.2.2 where it is to take place; and

12.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- 12.3 Notice of a directors' meeting need not be in writing and must be given to each director provided that, if a director is absent (whether habitually or temporarily) from the United

Kingdom, the company has an address for sending or receiving documents or information by electronic means to or from that director outside the United Kingdom.

- 12.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

13 Participation in directors' meetings

- 13.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

13.1.1 the meeting has been called and takes place in accordance with the articles; and

13.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

- 13.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

- 13.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

14 Quorum for directors' meetings

- 14.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

- 14.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is two provided that:

14.2.1 if and so long as there is only one director the quorum shall be one; and

14.2.2 for the purposes of any meeting held pursuant to article 18 to authorise a director's conflict, if there is only one director besides the director concerned and directors with a similar interest, the quorum shall be one.

- 14.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision

14.3.1 to appoint further directors; or

14.3.2 to call a general meeting so as to enable the members to appoint further directors.

15 Chairing of directors' meetings

- 15.1 The directors may appoint a director to chair their meetings.

- 15.2 The person so appointed for the time being is known as the chairman.

- 15.3 The directors may terminate the chairman's appointment at any time.
- 15.4 If no director has been appointed chairman, or the chairman is unwilling to chair the meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

16 Casting vote

- 16.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- 16.2 But this does not apply if, in accordance with the articles, the chairman or other director chairing the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes.

17 Directors' interests

- 17.1 Except to the extent that article 18 applies or the terms of any authority given under that article otherwise provide, and without prejudice to such disclosure as is required under the Companies Act 2006, a director may be a party to, or otherwise interested in, any existing or proposed transaction or arrangement with the company and shall be entitled to participate in the decision-making process for quorum and voting purposes on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty that conflicts or may conflict with the interests of the company.

18 Directors' conflicts of interest

- 18.1 Subject to the provisions of the Companies Act 2006 and provided that he has disclosed to the other directors the nature and extent of any material interest of his, a director may, notwithstanding his office or that, without the authorisation conferred by this article 18.1, he would or might be in breach of his duty under the Companies Act 2006 to avoid conflicts of interest, be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any undertaking in the same group as the company, or promoted by the company or by any undertaking in the same group as the company, or in which the company or any undertaking in the same group as the company is otherwise interested.
- 18.2 No director shall:
- 18.2.1 by reason of his office, be accountable to the company for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under article 18.1 (and no such benefit shall constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit);
 - 18.2.2 be in breach of his duties as a director by reason only of his excluding himself from the receipt of information, or from participation in decision-making or discussion (whether at meetings of the directors or otherwise), that will or may relate to any

office, employment, transaction, arrangement or interest that is authorised under article 18.1; or

- 18.2.3 be required to disclose to the company, or use in relation to the company's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under article 18.1 if his doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection.
- 18.3 A general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 18.4 The directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a director breaching his duty under the Companies Act 2006 to avoid conflicts of interest, and any director (including the director concerned) may propose that the director concerned be authorised in relation to any matter the subject of such a conflict provided that:
- 18.4.1 such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the directors under the provisions of the articles, except that the director concerned and any other director with a similar interest:
- (a) shall not be counted for quorum purposes as participating in the decision-making process while the conflict is under consideration;
 - (b) may, if the other directors so decide, be excluded from participating in the decision-making process while the conflict is under consideration; and
 - (c) shall not vote on any resolution authorising the conflict except that, if any such director does vote, the resolution will still be valid if it would have been agreed to if his votes had not been counted; and
- 18.4.2 where the directors give authority in relation to such a conflict:
- (a) they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the director concerned and any other director with a similar interest as they may determine, including, without limitation, the exclusion of that director and any other director with a similar interest from the receipt of information, or participation in any decision-making or discussion (whether at meetings of the directors or otherwise) related to the conflict;
 - (b) the director concerned and any other director with a similar interest will be obliged to conduct himself in accordance with any terms imposed from time to time by the directors in relation to the conflict but will not be in breach of his duties as a director by reason of his doing so;
 - (c) the authority may provide that, where the director concerned and any other director with a similar interest obtains information that is confidential to a

third party, the director will not be obliged to disclose that information to the company, or to use the information in relation to the company's affairs, where to do so would amount to a breach of that confidence;

- (d) the authority may also provide that the director concerned or any other director with a similar interest shall not be accountable to the company for any benefit that he receives as a result of the conflict;
- (e) the receipt by the director concerned or any other director with a similar interest of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties;
- (f) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (g) the directors may withdraw such authority at any time.

18.5 Subject to article 18.6, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman, whose ruling in relation to any director other than the chairman is to be final and conclusive.

18.6 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

19 Records of decisions to be kept

19.1 The directors must ensure that the company keeps a record, in hard copy form, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors (including where decisions are made electronically (in which case the directors shall record such decisions in a physical form)).

20 Directors' discretion to make further rules

20.1 Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

Appointment of directors

21 Methods of appointing and removing directors

21.1 A parent company may at any time by notice in writing to the company:

- 21.1.1 appoint any person or persons as a director or directors of the company, and
- 21.1.2 remove any director or directors from office.

21.2 Any appointment or removal pursuant to article 19.1 shall take effect when it is delivered to the registered office of the company or, if it is produced at a meeting of the directors, when it is so produced or, if sent by electronic means to an address generally used by the company, when it is sent (and article 52.2 shall not apply to it). Any such removal shall be without prejudice to any claim that a director may have under any contract between him and the company. If the company has no directors and, by virtue of death or bankruptcy, no member is capable of acting, the transmittee of the last member to have died or to have had a bankruptcy order made against him has the right, by notice in writing, to appoint a person to be a director.

22 Termination of director's appointment

22.1 A person ceases to be a director as soon as:

22.1.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

22.1.2 a bankruptcy order is made against that person;

22.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

22.1.4 he becomes, in the opinion of all his co-directors, physically or mentally incapable of discharging his duties as a director;

22.1.5 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;

22.1.6 notification of the director's removal is received by the company from a parent company pursuant to article 21.1; or

22.1.7 he is otherwise duly removed from office.

23 Directors' remuneration

23.1 Directors may undertake any services for the company that the directors decide.

23.2 Subject to the rest of these articles, Directors are entitled to such remuneration as the directors determine:

23.2.1 for their services to the company as directors; and

23.2.2 for any other service which they undertake for the company.

23.3 Subject to the articles, a director's remuneration may:

23.3.1 take any form; and

23.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

23.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

23.5 Any director who is a trustee or director of a charity which is the holder of the majority of the issued share capital of the company will be entitled to receive remuneration under this article only if and to the extent that he would be able to receive such payment from the charity but has not in fact done so.

24 Directors' expenses

24.1 The company may pay any reasonable expenses which the directors (and any company secretary) properly incur in connection with their attendance at:

24.1.1 meetings of directors or committees of directors;

24.1.2 general meetings; or

24.1.3 separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

Part 3 Shares and Distributions

Shares

25 All shares to be fully paid

25.1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

25.2 This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

26 Issuing shares

26.1 The directors shall not, without the prior written consent of a parent company, allot shares or other securities in, or grant any rights to subscribe for or convert into shares or other securities of, the company to any person other than a parent company. The power conferred on the directors by section 550 of the Companies Act 2006 is limited accordingly.

27 Company not bound by less than absolute interests

27.1 Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

28 Share certificates

- 28.1 The company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds.
- 28.2 Every certificate must specify:
- 28.2.1 in respect of how many shares, of what class, it is issued;
 - 28.2.2 the nominal value of those shares;
 - 28.2.3 that the shares are fully paid; and
 - 28.2.4 any distinguishing numbers assigned to them.
- 28.3 No certificate may be issued in respect of shares of more than one class.
- 28.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 28.5 Certificates must:
- 28.5.1 have affixed to them the company's common seal; or
 - 28.5.2 be otherwise executed in accordance with the Companies Acts.
- 28.6 The directors may determine, either generally or in relation to any particular case, that any signature on any certificate need not be autographic but may be applied by some mechanical or other means, or printed on the certificate, or that certificates need not be signed.

29 Replacement share certificates

- 29.1 If a certificate issued in respect of a member's shares is:
- 29.1.1 damaged or defaced; or
 - 29.1.2 said to be lost, stolen or destroyed,
- that member is entitled to be issued with a replacement certificate in respect of the same shares.
- 29.2 A member exercising the right to be issued with such a replacement certificate:
- 29.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 29.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - 29.2.3 must comply with such conditions as to evidence indemnity and the payment of reasonable expenses as the directors decide.

30 Share transfers

- 30.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

- 30.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 30.3 The company may retain any instrument of transfer which is registered.
- 30.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 30.5 The directors, in their absolute discretion, may refuse to register the transfer of a share, and if they do so, they shall within two months after the date on which the transfer was lodged send the transferee the notice of refusal together with their reasons for refusal and, unless they suspect that the proposed transfer may be fraudulent, the instrument of transfer.

31 Transmission of shares

- 31.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 31.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- 31.2.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
 - 31.2.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 31.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

32 Exercise of transmittees' rights

- 32.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 32.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 32.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

33 Transmittees bound by prior notices

- 33.1 If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

Dividends and other distributions

34 Procedure for declaring dividends

- 34.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 34.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 34.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 34.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the rights attached to any shares, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- 34.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 34.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 34.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

35 Payment of dividends and other distributions

- 35.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- 35.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 35.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 35.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - 35.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 35.2 Dividends may be declared or paid in any currency and the directors may agree with any distribution recipient that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may

agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the company or any other person to bear the costs involved.

35.3 In the articles, **the distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable:

35.3.1 the holder of the share; or

35.3.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or

35.3.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

36 No interest on distributions

36.1 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

36.1.1 the rights attached to the share, or

36.1.2 the provisions of another agreement between the holder of that share and the company.

37 Unclaimed distributions

37.1 All dividends or other sums which are:

37.1.1 payable in respect of shares; and

37.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

37.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

37.3 If:

37.3.1 12 years have passed from the date on which a dividend or other sum became due for payment, and

37.3.2 the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

38 Non-cash distributions

38.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or

other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

- 38.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
- 38.2.1 fixing the value of any assets;
 - 38.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - 38.2.3 vesting any assets in trustees.

39 Waiver of distributions

- 39.1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:
- 39.1.1 the share has more than one holder; or
 - 39.1.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,
- the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

Capitalisation of Profits

40 Authority to capitalise and appropriation of capitalised sums

- 40.1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:
- 40.1.1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
 - 40.1.2 appropriate any sum which they so decide to capitalise (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions.
- 40.2 Capitalised sums must be applied:
- 40.2.1 on behalf of the persons entitled, and
 - 40.2.2 in the same proportions as a dividend would have been distributed to them.
- 40.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

- 40.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 40.5 Subject to the articles the directors may:
- 40.5.1 apply capitalised sums in accordance with articles 40.3 and 40.4 partly in one way and partly in another:
 - 40.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
 - 40.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

Part 4 Decision-making by Members

Organisation of general meetings

41 Attendance and speaking at general meetings

- 41.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 41.2 A person is able to exercise the right to vote at a general meeting when:
- 41.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - 41.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 41.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 41.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 41.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

42 Quorum for general meetings

- 42.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

43 Chairing general meetings

- 43.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 43.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- 43.2.1 the directors present; or
- 43.2.2 (if no directors are present), the meeting,
must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 43.3 The person chairing a meeting in accordance with this article is referred to as 'the chairman of the meeting'.

44 Attendance and speaking by directors and non-members

- 44.1 Directors may attend and speak at general meetings, whether or not they are members.
- 44.2 The chairman of the meeting may permit other persons who are not:
- 44.2.1 members; or
- 44.2.2 otherwise entitled to exercise the rights of members in relation to general meetings,
to attend and speak at a general meeting.

45 Adjournment

- 45.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, if the meeting was convened by the members, the meeting shall be dissolved and, in any other case, the chairman of the meeting must adjourn it.
- 45.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- 45.2.1 the meeting consents to an adjournment; or
- 45.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 45.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 45.4 When adjourning a general meeting, the chairman of the meeting must:
- 45.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and

- 45.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 45.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least seven clear days' notice of it:
 - 45.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
 - 45.5.2 containing the same information which such notice is required to contain.
- 45.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at general meetings

46 Voting: general

- 46.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

47 Errors and disputes

- 47.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 47.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

48 Poll votes

- 48.1 A poll on a resolution may be demanded:
 - 48.1.1 in advance of the general meeting where it is to be put to the vote; or
 - 48.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 48.2 A poll on a resolution may be demanded by the chairman of the meeting, the directors or by any qualifying person (as defined in section 318 of the Companies Act 2006) present and entitled to vote on the resolution.
- 48.3 A demand for a poll may be withdrawn if:
 - 48.3.1 the poll has not yet been taken; and
 - 48.3.2 the chairman of the meeting consents to the withdrawal.
- 48.4 A demand withdrawn in accordance with article 48.3 shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

48.5 Polls demanded at the general meeting must be taken immediately and in such manner as the chairman of the meeting directs.

49 Content of proxy notices

49.1 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:

49.1.1 states the name and address of the member appointing the proxy;

49.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

49.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and

49.1.4 is delivered to the company in accordance with the articles not less than 48 hours before the time appointed for holding the general meeting in relation to which the proxy is appointed and in accordance with any instructions contained in the notice of the general meeting to which they relate (but notwithstanding this an appointment of a proxy may be accepted by the directors at any time prior to the meeting at which the person named in the appointment proposes to vote (or, where a poll is demanded at the meeting, but not taken forthwith, at any time prior to the taking of the poll)).

49.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

49.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions, but the company shall not be obliged to ascertain that any proxy has complied with those or any other instructions given by the appointor and no decision on any resolution shall be vitiated by reason only that any proxy has not done so.

49.4 On a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and:

49.4.1 has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it; or

49.4.2 has been instructed to vote the same way (either for or against) on the resolution by all of those members except those who have given the proxy discretion as to how to vote on the resolution,

the proxy is entitled to one vote for and one vote against the resolution.

49.5 Unless a proxy notice indicates otherwise, it must be treated as:

49.5.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

49.5.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

50 Delivery of proxy notices

- 50.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- 50.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 50.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 50.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

51 Amendments to resolutions

- 51.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 51.1.1 notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - 51.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 51.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 51.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 51.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 51.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

Part 5 Administrative arrangements

52 Means of communication to be used

- 52.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- 52.2 Except insofar as the Companies Acts require otherwise, the company shall not be obliged to accept any notice, document or other information sent or supplied to the company in electronic form unless it satisfies such stipulations, conditions or restrictions (including, without limitation, for the purpose of authentication) as the directors think fit, and the company shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead.
- 52.3 In the case of joint holders of a share, except insofar as the articles otherwise provide, all notices, documents or other information shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and shall be deemed to have been given to all the joint holders. For all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent or supplied in electronic form) executed or approved pursuant to any provision of the articles, execution by any one of such joint holders shall be deemed to be and shall be accepted as execution by all the joint holders.
- 52.4 In the case of a member that is a corporation, for all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent or supplied in electronic form) executed or approved pursuant to any provision of the articles, execution by any director or the secretary of that corporation or any other person who appears to any officer of the company (acting reasonably and in good faith) to have been duly authorised to execute shall be deemed to be and shall be accepted as execution by that corporation.
- 52.5 A member whose registered address is not within the United Kingdom and who notifies the company of an address within the United Kingdom at which notices, documents or other information may be served on or delivered to him shall be entitled to have such things served on or delivered to him at that address (in the manner referred to above), but otherwise no such member shall be entitled to receive any notice, document or other information from the company. If the address is that member's address for sending or receiving documents or information by electronic means the directors may at any time without prior notice (and whether or not the company has previously sent or supplied any documents or information in electronic form to that address) refuse to send or supply any documents or information to that address.
- 52.6 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

52.7 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

53 Deemed delivery of documents and information

53.1 Any document or information sent or supplied by the company shall be deemed to have been received by the intended recipient:

53.1.1 where the document or information is properly addressed and sent by first class post or other delivery service to an address in the United Kingdom, on the day (whether or not it is a working day) following the day (whether or not it is a working day) on which it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;

53.1.2 where (without prejudice to article 53.1.4) the document or information is properly addressed and sent by post or other delivery service to an address outside the United Kingdom, five working days after it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;

53.1.3 where the document or information is not sent by post or other delivery service but delivered personally or left at the intended recipient's address, on the day (whether or not a working day) and time that it was sent;

53.1.4 where the document or information is properly addressed and sent or supplied by electronic means, on the day (whether or not a working day) and time that it was sent and proof that it was sent in accordance with guidance issued by ICSA: The Governance Institute shall be conclusive evidence that it was sent;

53.1.5 where the document or information is sent or supplied by means of a website, when the material was first made available on the website or (if later) when the intended recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

54 Company seals

54.1 Any common seal may only be used by the authority of the directors.

54.2 The directors may decide by what means and in what form any common seal is to be used.

54.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

54.4 For the purposes of this article, an authorised person is:

54.4.1 any director of the company;

- 54.4.2 the company secretary (if any); or
- 54.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

55 No right to inspect accounts and other records

- 55.1 Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

56 Provision for employees on cessation of business

- 56.1 The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

57 Secretary

- 57.1 Subject to the Companies Act 2006, the directors may appoint a company secretary (or two or more persons as joint secretary) for such term, at such remuneration and upon such conditions as the directors may think fit; and any company secretary (or joint secretary) so appointed may be removed by the directors. The directors may also from time to time appoint on such terms as they think fit, and remove, one or more assistant or deputy secretaries.

Directors: indemnity and insurance

58 Indemnity

- 58.1 Subject to article 58.2 (but without prejudice to any indemnity to which a relevant officer is otherwise entitled):
 - 58.1.1 a relevant officer may be indemnified out of the company's assets to whatever extent the directors may determine against:
 - (a) any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the company or any undertaking in the same group as the company;
 - (b) any liability incurred by that officer in connection with the activities of the company, or any undertaking in the same group as the company, in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
 - (c) any other liability incurred by that officer as an officer of the company or of any undertaking in the same group as the company; and

58.1.2 the company may, to whatever extent the directors may determine, provide funds to meet expenditure incurred or to be incurred by a relevant officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the company or any undertaking in the same group as the company, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the relevant officer to avoid incurring such expenditure.

58.2 This article does not authorise any indemnity that would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

59 Insurance

59.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

59.2 In this article, a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the company, any undertaking in the same group as the company or any pension fund or employees' share scheme of the company or of any undertaking in the same group as the company.

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REGISTERED NO.

**Articles
of
Association**

of

MonLife Plus Limited

Incorporated: 2018

COMPANY LIMITED BY SHARES

THE COMPANIES ACT 2006

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Reference: OJD: 36456.0005

Articles of Association of MonLife Plus Limited

PART A: INTRODUCTION

1. INTERPRETATION

1.1. In these Articles:

"the Act"	means the Companies Act 2006;
"AGM"	means an annual general meeting of the Company;
"the Articles"	means these Articles of Association of the Company and "Article" shall be construed accordingly;
"the Board"	means the board of the Company comprising the Directors and (where appropriate) includes a Committee of the Board and the Directors acting by written resolution;
"Board Meeting"	means a meeting of the Board or (where appropriate) of a Committee of the Board;
"Chair"	means (subject to the context) either the person elected as chair of the Company under Article 33 or, where the Chair of the Company is not present or has not taken the chair at a meeting, means the person who is chairing a Board Meeting at the time, or the person appointed by the Shareholders from amongst their number to chair a General Meeting;

"clear days"	in relation to a period of notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Committee"	means a committee of the Board;
"Company"	means the company regulated by the Articles;
"Companies House"	means the office of the Registrar of Companies;
"Council"	means Monmouthshire County Council of County Hall, The Rhadyr, Usk NP15 1GA
"Director"	means a director of the Company for the time being;
"executed"	includes any mode of execution;
"General Meeting"	means any meeting of the Shareholders;
"holder"	in relation to shares means the Shareholder whose name is entered in the register of Shareholders;
"holding company"; "subsidiary" and "wholly-owned subsidiary"	mean a "holding company", "subsidiary" and "wholly-owned subsidiary" as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c) of the Act, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee;
"including"	means "including without limitation" and "include" and "includes" are to be construed accordingly;

"Objects"	means the objects of the Company as set out Article 6;
"Observers"	means those persons (other than Directors) present under Article 35 at a Board Meeting;
"Registered Office"	means the registered office of the Company;
"Relevant Agreement"	means any agreement or agreements entered into between the Company and the Shareholders relating to the management, operation and activities of the Company;
"Secretary"	means the secretary of the Company (if any) as may be appointed under these Articles to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
"Share"	means a share of any type in the capital of the Company (and includes both a fully paid and a partly paid share);
"Shareholder"	means a shareholder for the time being of the Company;
"Shareholder Reserved Matters"	means those matters designated as such in a Relevant Agreement or elsewhere where a decision is reserved to the Shareholders;
"United Kingdom"	means Great Britain and Northern Ireland.

1.2. In these Articles:

1.2.1. terms defined in the Act are to have the same meaning;

1.2.2. references to the singular include the plural and vice versa, to the whole include part and vice versa, and to the

masculine include the feminine and neuter and vice versa;

1.2.3. references to "organisations" or "persons" include corporate bodies, public bodies, unincorporated associations and partnerships;

1.2.4. references to legislation, regulations, determinations and directions include all amendments, replacements or re-enactments and references to legislation (where appropriate) include all regulations, determinations and directions made or given under it; and

1.2.5. the headings are not to affect the interpretation of the Articles.

2. **NAME**
The Company's name is MonLife Plus Limited.

3. **REGISTERED OFFICE**
The Company's Registered Office is to be situated in England or Wales

4. **POWERS**

The Company may do anything that a natural or corporate person can lawfully do which is not expressly prohibited by the Articles.

5. **LIMIT OF LIABILITY**

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

6. **OBJECTS**

The Company's Objects are:

6.1. to undertake activities for commercial purposes; and

6.2. to carry on business as a general commercial company.

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PART B. SHARE CAPITAL

7. SHARE CAPITAL

The share capital of the Company is £100 ordinary shares divided into 100 shares of £1 each.

8. ISSUE OF SHARES AND SHARE CERTIFICATES

8.1. Subject to the Act the Company may issue Shares which must be redeemed or are liable to be redeemed at the option of the Company or the holder on such terms as the Board decides.

8.2. The Company may pay commissions as provided in the Act. Subject to the Act, any commission may be paid in cash and/or by the allotment of Shares.

8.3. Except as required by law, no person is to be recognised by the Company as holding a Share on trust. The Company is not bound to recognise any interest in a Share other than the holder's absolute right to it.

8.4. Unless the Shareholders decide otherwise by special resolution, any unissued ordinary Shares and any new Shares that are created must first be offered to the existing Shareholders in proportion to the number of Shares they already hold. The offer must be made by giving notice to each of the Shareholders. The notice must specify the number of Shares offered. It must give at least twenty-one days within which the offer can be accepted. Any Shares which are not accepted within this twenty-one day period will be deemed declined and must be offered, in the same proportions, to the Shareholders who have accepted the Shares offered to them. The further offer must be made on the same terms and subject to the same notice period as the original offer. Any Shares not accepted (except by way of fractions) and any Shares released from this Article by a special resolution are to be under the control of the Board. The Board may (subject to Article 8.5) dispose of them as they decide but no Shares refused by the existing Shareholders may be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the Shareholders. Sections 561(1) and 562 of the Act do not apply to the Company.

8.5. The Board may not allot shares or grant rights to subscribe for or convert securities into Shares unless approved by the Shareholders.

9. SHARE CERTIFICATES

9.1. Shareholders are entitled without payment to one certificate for all the Shares of each class they hold (and, on transferring part of their Shares, to a certificate for the balance of their holding). Every certificate shall be executed by the Company. It must specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount paid up for the Shares. The Company need not issue more than one certificate for Shares held jointly. The delivery of a certificate to one joint holder is a sufficient delivery to all of them.

9.2. If a Share certificate becomes defaced, or worn out or is lost or destroyed it may be renewed. The Board may specify conditions to be satisfied before it is renewed. Those conditions may relate to evidence or indemnity and provide for the payment of the Company's reasonable costs in investigating evidence. Apart from any payments due as a result of compliance with the Board's conditions no other charge may be made. If the Share Certificate is defaced or wearing out the old certificate must be delivered to the Company before it can be renewed.

10. LIEN

10.1. The Company is to have a first and paramount lien on every Share registered in the name of any person indebted or under a liability to the Company, (including a Share held jointly with another person) for all money payable by the holder or the holder's estate to the Company. The Board may exempt a Share from this Article at any time.

10.2. The Company may sell any Shares on which the Company has a lien if the debt secured by the lien is not paid within 14 clear days after notifying the holder of the Share (or the person entitled to it in consequence of the death or bankruptcy of the holder), demanding payment and stating that if the notice is not complied with the Shares may be sold.

10.3. In order to give effect to a sale the Board may authorise any person to sign a transfer of the Shares to or as directed by the purchaser. The title of the purchaser will not be affected by any irregularity in or invalidity of the sale proceedings.

10.4. The net proceeds of the sale must be applied to discharge the debt secured by the lien. Any residue is to be paid to the person entitled to the Shares at the date of the sale when he surrenders the certificate for the Shares sold to the Company for cancellation.

11. CALLS ON SHARES AND FORFEITURE

11.1. Subject to the terms of allotment, the Board may make calls on the Shareholders for any money unpaid on their Shares (whether in respect of nominal value or premium). Each Shareholder must (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay the Company the amount called as required by the notice. A call may require payment in instalments. A call may be revoked before the Company receives the sum due

under it. Payment of a call may also be postponed. A person on whom a call is made will remain liable for the call made even if the Shares on which it was made are later transferred.

11.2. A call is made when the Board resolution authorising the call is passed.

11.3. The joint holders of a Share are jointly and severally liable to pay all calls on it.

11.4. If a call is unpaid after it is due the person from whom it is payable must pay interest on the unpaid amount from when it became due until payment. The rate must be fixed by the terms of allotment of the Share or in the notice of the call. If no rate is fixed the rate is to be the appropriate rate (as defined in the Act). The Board may waive payment of the interest.

11.5. An amount payable on a Share on allotment on a fixed date (for the nominal value or a premium or as an instalment of a call) is to be deemed to be a call. If it is not paid this Article is to apply as if it had become payable because of a call.

11.6. Subject to the terms of allotment, the Board may make different arrangements on the issue of Shares for the holders of the amounts and times of payment of calls on their Shares.

11.7. If a call remains unpaid after it has become due the Board may give the person by whom it is payable at least 14 clear days' notice requiring payment of the call and any interest due and all expenses that may have been incurred by the Company as a result of the non-payment. The notice must state where payment is to be made and that if it is not complied with the Shares on which the call was made are liable to be forfeited.

11.8. If the notice is not complied with then, before the payment it required is made, the Shares on which it was given may be forfeited by a resolution of the Board. The forfeiture is to include all dividends or other money payable on the forfeited Shares which were not paid before the forfeiture.

11.9. Subject to the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of as the Board decides. This may be to its holder before the forfeiture or to any other person. At any time before the sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board decides. Where a forfeited Share is to be transferred to any person the Board may authorise any person to sign the Share transfer to that person.

11.10. Where a Shareholder's Shares have been forfeited he will cease to be a Shareholder in respect of them. He must surrender the certificate for the Shares forfeited to the Company for cancellation. He is still liable to the Company for all money which, at the date of forfeiture, was payable to the Company on them plus

interest at the interest rate before forfeiture or, if no interest was payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment. The Board may waive payment or enforce payment without allowing for the value of the Shares at the time of forfeiture or the consideration received on their disposal.

11.11. A statutory declaration by a Director or the Secretary that a Share has been forfeited on a specified date is to be conclusive evidence of the fact stated in it as against all persons claiming to be entitled to the Share. The declaration is (subject to the execution of an instrument of transfer if necessary) to constitute a good title to the Share. The purchaser of the Share is not bound to see to the application of the consideration, if any. His title to the Share is not to be affected by any irregularity in or invalidity of the forfeiture or disposal proceedings.

12. TRANSFER OF SHARES

12.1. A transfer may be in any usual form or in any other form the Board approves. It must be signed by or on behalf of the transferor.

12.2. The Board may refuse to register a Share transfer without giving any reason.

12.3. If the Board refuses to register a Share transfer it must notify the transferee of the refusal within two months after the date the transfer was lodged with the Company.

12.4. No fee may be charged for the registration of any transfer or other document relating to or affecting the title to any Share.

12.5. The Company may retain a transfer document which is registered, but any transfer which the Board refuses to register must (except in any case of fraud) be returned to the person lodging it when notice of the refusal is given.

12.6. The Board may destroy in any manner that the Board approves all instruments of transfer of Shares of the Company which have been registered as long as the following conditions are met:-

12.6.1. six years have passed since the date of registration thereof; and

12.6.2. the Board acts in good faith; and

12.6.3. the Board, at the date of destruction, has no notice of any claim to which the instrument of transfer might be relevant.

12.7. The Board may destroy in any manner that the Board approves all registered

Share Certificates which have been cancelled as long as the following conditions are met:-

12.7.1. at least three years have passed since the date of cancellation of the Share Certificate; and

12.7.2. the Board acts in good faith; and

12.7.3. the Board at the date of destruction has no notice of any claim to which the Share Certificate might be relevant.

12.8. It shall be conclusively presumed in favour of the Company that any instrument of transfer destroyed in accordance with Article 12.6 was a valid and effective instrument duly and properly registered and that any Share Certificate destroyed in accordance with Article 12.7 was a valid Certificate duly and properly cancelled.

12.9. Nothing in this Article 12 shall be regarded as imposing any liability upon the Company in respect of any instrument of transfer or Share Certificate in circumstances where the conditions specified in Articles 12.6 or 12.7 (as appropriate) have not been fulfilled.

13. TRANSMISSION OF SHARES

13.1. The survivor of a joint holder who dies and/or the personal representatives of a sole holder are the only persons the Company must recognise as having any title to the Shares. Nothing in these Articles is to release the estate of a deceased Shareholder from any liability in respect of any Share which had been jointly held by him.

13.2. A person entitled to a Share on the death or bankruptcy of a Shareholder may, on producing such evidence as the Board requires either become the holder of the Share or nominate some person to be registered as the transferee. If he elects to become the holder he must notify the Company in writing. If he elects to have another person registered he must transfer the Share to that person. The Articles relating to Share transfer are to apply to the notice or transfer as if it were a transfer signed by the Shareholder.

13.3. A person entitled to a Share on the death or bankruptcy of a Shareholder is to have the same rights as the Shareholder had except that the right to attend or vote at General Meetings or at a class meeting of the holders of any class of Shares shall not arise before that person is registered as the holder of the Share.

14. ALTERATION OF SHARE CAPITAL

14.1. The Company may by ordinary resolution-

14.1.1. increase its share capital by new Shares of such amount as the resolution prescribes;

14.1.2. consolidate and divide its share capital into Shares of a larger amount than its existing Shares;

14.1.3. subject to the Act, sub-divide any of its Shares into Shares of smaller amount and create a preference in favour of some of the Shares resulting from the subdivision over the others; and/or

14.1.4. cancel unissued Shares which have not been agreed to be taken up and reduce its share capital by the amount of the cancelled Shares.

14.2. Where as a result of a consolidation of Shares any Shareholders would become entitled to a fraction of a Share, the Board may, on behalf of those Shareholders, sell the Shares representing the fraction for the best price reasonably obtainable to any person (including, subject to the Act, the Company) and distribute the net sale proceeds among those Shareholders. The Board may authorise a person to sign the Share transfer to, or as directed by, the purchaser. The purchaser is not required to see to the application of the purchase money. His title to the Shares is not to be affected by an irregularity or invalidity in the sale proceedings.

14.3. Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account.

15. PURCHASE OF OWN SHARES

15.1. Subject to the Act, the Company may purchase its own Shares (including any redeemable Shares) and pay for the redemption or purchase other than out of the Company's distributable profits or the proceeds of a fresh issue of Shares.

16. DIVIDENDS

16.1. Subject to the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Shareholders. No dividend may exceed the amount recommended by the Board.

16.2. Subject to the Act, the Board may pay interim dividends if it appears to it that

they are justified by the distributable profits of the Company. If the Share capital is divided into different classes, the Board may pay interim dividends on Shares with deferred or non-preferred dividend rights as well as on Shares which confer preferential dividend rights, but no interim dividend may be paid on Shares with deferred or non-preferred rights if any preferential dividend is in arrear at the time of payment. The Board may also pay any dividend payable at a fixed rate at such intervals as they decide if it appears to them that the distributable profits justify the payment. Provided the Board acts in good faith the Directors are not to be liable to preferred Shareholders for any loss suffered by the lawful payment of an interim dividend on any deferred or non-preferential Shares.

16.3. Except where the rights attaching to Shares provide otherwise, all dividends are to be paid according to the amount paid up on the Shares on which they are paid. Where the amount paid up changes over the period for which the dividend is payable, the dividend must be apportioned and paid proportionately to the amount paid up on the Shares during each part of the period for which the dividend is paid. If a Share is issued on terms that it is to rank for dividend as from a particular date that Share is to rank for dividend accordingly.

16.4. On the recommendation of the Board a General Meeting declaring a dividend may direct that it is to be satisfied wholly or partly by the distribution of assets. In administering the distribution the Board may:-

16.4.1. issue fractional certificates;

16.4.2. fix the value of any assets;

16.4.3. adjust the rights of Shareholders by paying cash to any Shareholder based on the asset values so fixed;

16.4.4. vest any assets in trustees; and/or

16.4.5. settle any difficulty which arises over the distribution.

16.5. Any dividend or money payable on a Share may be paid by cheque posted to the registered address of the person entitled (or as he/she may direct in writing). If two or more persons hold the Share or are jointly entitled to it because of the death or bankruptcy of the holder it may be sent to the person first named in the register. Cheques are to be payable to the person entitled (or as he/she directs in writing). Payment of the cheque is to be a good discharge to the Company. Any joint holder or other person jointly entitled to a Share may give receipts for any dividend or other money payable on a Share.

16.6. No dividend or other money payable on a Share is to bear interest against the Company unless the rights attached to the Share provide otherwise.

16.7. Any dividend unclaimed twelve years after its payment date may be forfeited by a resolution of the Board.

17. CAPITALISATION OF PROFITS

17.1. The Board may, with the authority of an ordinary resolution of the Company:-

17.1.1. capitalise any profits of the Company not required for paying a preferential dividend (whether or not they are available for distribution) or any sum in the Company's share premium account or capital redemption reserve;

17.1.2. subject to Article 17.2, appropriate the sum resolved to be capitalised to the Shareholders who would have been entitled to it if it were distributed by dividend (in the same proportions) and apply it in paying up any amounts unpaid on any part paid Shares they hold and/or in paying up in full and allotting to them (or as they direct) unissued Shares or debentures in the Company of a nominal amount equal to that sum;

17.1.3. provide for Shares or debentures distributable in fractions by the issue of fractional certificates or by payment in cash; and/or

17.1.4. authorise a person to enter into an agreement with the Company on behalf of all the Shareholders concerned, providing for the allotment to them of any Shares or debentures credited as fully paid to which they are entitled upon such capitalisation. Any agreement made under such authority is to bind all such Shareholders.

17.2. The Share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid.

PART C. GENERAL MEETINGS

18. AGM

18.1. The Company will hold an AGM each year.

18.2. The AGM is to be held at such time and place as the Board appoints.

18.3. The business of the AGM is:-

18.3.1. to receive the annual Directors' report;

18.3.2. to consider the accounts and auditor's report;

18.3.3. to appoint the auditor (if necessary); and

18.3.4. to transact any other business specified in the notice convening the meeting.

19. GENERAL MEETINGS

19.1. All General Meetings are to be called by the Board.

19.2. If there are insufficient Directors in the United Kingdom to form a quorum at a Board Meeting to call a General Meeting it may be called in the same way as a Board Meeting.

19.3. On receiving a requisition from the requisite number of Shareholders as specified under Section 303 of the Act the Board must immediately call a General Meeting.

20. NOTICE OF GENERAL MEETINGS

20.1. General Meetings must be called by at least 14 clear days' notice

20.2. A General Meeting may be called by shorter notice if this is agreed by a majority in number of the Shareholders who may attend and vote and who together hold 90% or more in nominal value of the Shares giving that right.

20.3. The notice must specify:-

20.3.1. the time and place of the General Meeting;

20.3.2. the general nature of the business to be transacted; and,

20.3.3. in the case of an AGM, that it is an AGM.

20.4. No business may be transacted at a General Meeting except that specified in the notice convening the meeting.

20.5. Notice of a General Meeting must be given to all of the Shareholders (except any living outside the United Kingdom who have not given an address for service in the United Kingdom), the Directors and the Company's auditors (if any).

20.6. The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice will not invalidate the proceedings at that General Meeting.

21. QUORUM FOR GENERAL MEETINGS

21.1. No business may be transacted at a General Meeting unless a quorum is present.

21.2. A quorum is one Shareholder entitled to vote upon the business to be transacted present in person or represented by a duly authorised representative (appointed pursuant to Article 24.4) but in order for a General Meeting to be quorate a duly authorised representative of the Council must be present if the Council is a Shareholder.

21.3. If a quorum is not present within 30 minutes from the time of the General Meeting or a quorum ceases to be present during a General Meeting it must be adjourned to such time and place as the Board decides.

21.4. Notice of an adjournment of a General Meeting because of a lack of quorum and the time and place of the adjourned General Meeting must be given to all Shareholders under Article 20.3.

21.5. If a quorum is not present within 30 minutes from the time of the adjourned General Meeting it is to be dissolved.

21.6. If there is an equality of votes on a show of hands or a ballot the Chair is entitled to a second or casting vote.

22. CHAIR AT GENERAL MEETINGS

22.1. The Shareholders present and entitled to vote must choose one of their number to chair the General Meeting (hereafter in this Part C referred to as “the Chair”).

23. ADJOURNMENT OF GENERAL MEETINGS

23.1. The Chair may, with the consent of a General Meeting at which a quorum is present (and must if so directed by the General Meeting), adjourn it to a time and place agreed by the General Meeting.

23.2. The Chair may also, without the consent of a General Meeting, adjourn it (whether or not it has commenced or is quorate) if it appears to the Chair that:-

23.2.1. the number of persons wishing to attend is greater than could reasonably have been expected and cannot conveniently be accommodated in the meeting room;

23.2.2. unruly conduct is likely to prevent the orderly holding of the meeting;

23.2.3. an adjournment is necessary for the business of the meeting to be conducted properly; or

23.2.4. a proposal of such importance is made that its consideration by a larger number of Shareholders is desirable.

23.3. When a meeting is adjourned under Article 23.2, the time and place for the adjourned meeting is either to be fixed by the Chair at the time of the adjournment or in default it is to be fixed by the Board.

23.4. The only business which may be transacted at an adjourned General Meeting is that left unfinished from the General Meeting which was adjourned.

23.5. It is not necessary to give notice of a General Meeting which is adjourned under Article 23.1 or Article 23.2 unless it is adjourned for 14 days or more in which case 7 clear days' notice must be given.

23.6. Resolutions passed at an adjourned General Meeting are to be treated as having been passed on the date on which they were actually passed.

24. VOTING AT GENERAL MEETINGS

24.1. Resolutions are to be decided on a show of hands unless a ballot is properly demanded.

24.2. Every Shareholder present has one vote on a show of hands.

24.3. Directors who are not Shareholders may speak but not vote at General Meetings.

24.4. A Shareholder which is an organisation may, by resolution of its governing body (or a committee or officer of the organisation acting under powers delegated by its governing body), authorise such person as it thinks fit to act as its representative at General Meetings.

24.5. A person authorised under Article 24.4 may exercise the same powers on behalf of the organisation as the organisation could exercise if it were an individual Shareholder.

24.6. If there is an equality of votes on a show of hands or a ballot the Chair is entitled to a second or casting vote.

24.7. An objection to the qualification of any voter may only be raised at the General Meeting at which the vote objected to is tendered. Every vote not disallowed at the General Meeting is valid. An objection made in time must be referred to the Chair whose decision is final.

24.8. A declaration by the Chair that a resolution has been carried (or not carried) unanimously, or by a particular majority, which is entered into the minutes of the meeting is conclusive evidence of the fact unless a ballot is demanded.

25. BALLOTS

25.1. A ballot may be demanded at any time during the General Meeting by the Chair or any Shareholder.

25.2. The demand for a ballot may be withdrawn before the ballot is taken. If the demand for a ballot is withdrawn the result of the show of hands will stand.

25.3. The demand for a ballot will not prevent the General Meeting continuing to

transact business other than the question on which the ballot is demanded.

25.4. A ballot is to be taken as the Chair directs. The Chair may appoint scrutineers (who need not be Shareholders) and set a time and place to declare the result. The result will be the resolution of the General Meeting at which the ballot was demanded but will be treated as passed when the result is declared.

25.5. A ballot on the election of a chair or an adjournment must be taken immediately. A ballot on any other question may be taken either immediately or at such time and place as the Chair directs.

25.6. At least 7 clear days' notice must be given of the time and place at which the ballot is to be taken unless the time and place are announced at the General Meeting at which it is demanded.

26. SHAREHOLDERS' WRITTEN RESOLUTIONS

26.1. Subject to the Act, a written resolution signed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the Shareholders entitled to attend and vote at a General Meeting (provided those Shareholders would constitute a quorum at a General Meeting) is as valid as if it had been passed at a General Meeting.

26.2. A resolution under Article 26.1 may consist of several documents in similar form each signed by one or more Shareholders.

26.3. A resolution under Article 26.1 may be signed for a corporate body or an organisation which is a Shareholder by its authorised representative, a Member of its governing body or secretary, its solicitor or by an attorney.

PART D. DIRECTORS

27. APPOINTMENT AND RETIREMENT OF DIRECTORS

27.1. Unless the Shareholders decide otherwise by ordinary resolution the number of Directors shall not be less than three.

27.2. All of the Directors are to be appointed by ordinary resolution of the Shareholders.

27.3. The appointment of a Director takes effect at the point at which the Shareholder resolution appointing him is passed.

27.4. No Director may be appointed except as set out in the Articles.

27.5. Subject to sections 168 and 169 of the Act, the Shareholders may remove any or all of the Directors at any time (with or without reason) by ordinary resolution.

27.6. The Shareholders may appoint a person as a Director either in substitution for a Director it has removed or to fill a casual vacancy.

27.7. A Director will cease to hold office if he:-

27.7.1. dies;

27.7.2. ceases to be a Director under the Act or is prohibited by law from being a Director;

27.7.3. resigns by written notice to the Company delivered to the Registered Office;

27.7.4. is removed by ordinary resolution of the Shareholders;

27.7.5. he becomes bankrupt or makes any arrangement or composition with his creditors generally;

27.7.6. he is, or may be, suffering from mental disorder and either:

27.7.6.1. he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Care and Treatment) (Scotland) Act 2003; or

27.7.6.2. an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a deputy, curator bonis or other person to exercise powers with respect to his property or affairs.

27A ALTERNATE DIRECTORS

27A.1 Any Director (the “Appointer”) may appoint as an alternate (“Alternate Director”) any other Director, or any other person from a list of persons approved by resolution of the Directors to:

27A.1.1 exercise that Director’s powers; and

27A.1.2 carry out that Director’s responsibilities;

in relation to the taking of decisions by the Board or any Committee in the absence of the relevant Appointer.

27A.2 Any appointment or removal of an Alternate Director must be effected by notice in writing to the Company signed by the Appointer or in any other manner approved by the Board.

27A.3 The notice must:

27A.3.1 identify the proposed Alternate Director; and

27A.3.2 in the case of a notice of appointment of an Alternate Director contain a statement signed by the proposed Alternate Director that he is willing to act as the alternate of the Director giving the notice.

27A.4 An Alternate Director’s appointment terminates on the earlier of either of the following:

27A.4.1 the date specified in a notice from the Appointer to the Company revoking the appointment of the Alternate Director; or

27A.4.2 the date the Appointer ceases to be a Director in accordance with Article 27.7

27B RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

27B.1 An Alternate Director may act as an Alternate Director to more than one Director and has the same rights in relation to any decision of the Board as the relevant Appointer.

27B.2 Except as the Articles specify otherwise, Alternate Directors:

27B.2.1 are deemed for all purposes to be Directors when acting as an Alternate Director;

27B.2.2 are liable for their own acts and omissions;

27B.2.3 are subject to the same restrictions as their Appointer;

27B.2.4 are not deemed to be agents of or for their Appointer; and

27B.2.5 in particular and without limitation, each Alternate Director shall be entitled to receive notice of all meetings of the Board and all Committees of which his Appointer is a member.

27B.3 An Alternate Director who is not in their own right a Director:

27B.3.1 may be included for the purposes of determining whether a quorum is present for any Board Meeting or a Committee provided that his Appointer is eligible to be included in the quorum and is not participating;

27B.3.2 may participate in a decision of the Board or any Committee provided that his Appointer is eligible to participate in the decision of the Board or Committee but is not participating; and

27B.3.3 shall be counted as more than one Director for the purposes of Article 27B.3.1 where he is appointed by two different Appointers.

27B.4 An Alternate Director who is a Director in his own right is entitled in the absence of his Appointer:

27B.4.1 to be counted twice for the purposes of quorum in his own right as a Director and as an Alternate Director for his Appointer provided that both he and his Appointer are eligible for quorum; and

27B.4.2 to have a separate vote on behalf of his Appointer, in addition to his own vote on any decision of the Board or a Committee provided that he and

his Appointer are both eligible to take part in the decision. Where only the Appointer is eligible to take part then the Alternate Director will only have one vote.

27B.5 An Alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his Appointer but shall not be entitled to receive any fee from the Company for serving as an Alternate Director except such part of the Appointer's fee (to the extent the Appointer receives any fee in accordance with Article 28) as the Appointer may direct by notice in writing to the Company. Where any Alternate Director is an employee of the Council then no fee may be paid even if the Appointer was eligible for a fee. Where any Alternate Director is an elected member of the Council or any local authority that is a shareholder then Article 28.5 shall apply as if the reference to Director in that Article was to Alternate Director.

28. DIRECTORS' FEES AND EXPENSES

28.1. Subject to Article 28.3 and Article 28.5 a Director who is not an employee of the Council may be paid such fee as the remainder of the Board may from time to time determine.

28.2. This provision applies if the majority of the issued share capital of the Company is held by a charity. In such circumstances any Director who is a trustee or director of that charity will be entitled to receive a fee only if and to the extent he would be able to receive such payment from the charity but has not in fact done so.

28.3. Directors who are not employees or members of the Council are entitled to be paid all reasonable expenses properly incurred by them in attending Board Meetings and General Meetings and in carrying out their duties as Directors. Directors who are employees of the Council may claim expenses in line with their contracts of employment with the Council.

28.4. Where any Director is an elected member (to include any directly elected mayor) of the Council or any local authority that is a Shareholder then such a Director may only be paid such fees and/or expenses as are permitted by the Local Authorities (Companies) Order 1995.

28.5. The payment of expenses to Directors who are not employees or members of the Council is subject to the production of satisfactory receipts.

29. DIRECTORS' INTERESTS

29.1. A Director who has a direct or indirect interest in any contract, proposed contract, arrangement or dealing with the Company must declare his interest under sections 177 or 182 of the Act (as appropriate) before the matter is discussed by the Board.

29.2. Every Director must ensure that at all times a list is kept at the Registered Office including details of:-

29.2.1. any other body of which he is a director or officer;

29.2.2. any firm of which he is a partner;

29.2.3. any firm or organisation of which he is an employee;

29.2.4. any public body of which he is an official or elected Shareholder;

29.2.5. any company whose shares are publicly quoted in which he owns or controls more than 2% of the shares;

29.2.6. any company whose shares are not publicly quoted in which he owns or controls more than 10% of the shares;

29.2.7. any property owned by the Company or the Parent in which he has an interest or which he occupies; or

29.2.8. any other interest which is significant or material including any direct or indirect financial interest which may influence his judgement on matters being considered or to be considered by the Board.

29.3. A decision of the Board will not be invalid because of the subsequent discovery of an interest which should have been declared.

29.4. Every Director must ensure that at all times he declares to either the Secretary in writing or to a Board Meeting if a person with whom he is "connected" for the purposes of Section 252 of the Act:-

29.4.1. is likely to receive a payment or benefit from the Company;

29.4.2. is a director, officer or employee of a company, body or organisation which is likely to receive a payment or benefit from the Company;

29.4.3. is a partner of a firm which is likely to receive a payment or benefit from the Company;

29.4.4. is an official or elected shareholder of a public body which may make or receive a payment or benefit to or from the Company;

29.4.5. is the owner or controller of more than 2% of the shares of a company whose shares are publicly quoted and which may make or receive payment or benefit to or from the Company;

29.4.6. is the owner or controller of more than 10% of the shares of any company whose shares are not publicly quoted, which may make or receive a payment or benefit to or from the Company; or

29.4.7. is a tenant or occupier of any property owned by the Company or is seeking accommodation from the Company.

29.5. A general notice to the Board that a Director has an interest, of the nature and extent specified in the notice, in any transaction or arrangement in which a specified person or class of persons is interested, is to be treated as a disclosure that the Director has an interest in any such transaction of the nature and extent specified.

29.6. For the purposes of this Article 29 an interest of which a Director has no knowledge and of which it is unreasonable to expect him/her to have knowledge is not to be treated as an interest of that Director.

29.7. **Personal Interests**

29.7.1. A Director has a personal interest in a matter which is to be discussed or determined by the Board if he or a member of the Director's family as defined in section 253 of the Act will be directly affected by the decision of the Board in relation to that matter.

29.7.2. A Director who has a personal interest in a matter which is to be discussed or determined by the Board:-

29.7.2.1. may not count towards the quorum in relation to that matter;

29.7.2.2. may not take part in the discussion in relation to that matter;

29.7.2.3. may not vote in relation to that matter; and

29.7.2.4. must leave the Board Meeting at which the matter is discussed and determined.

29.8. Despite having a personal interest in the outcome, a Director may count towards the quorum, take part in the discussion and vote on a resolution of the Board (other than a resolution to make a payment or grant a benefit to the Director personally which is not at the same time being granted to the other Directors):

29.8.1. to take out Directors and officers indemnity insurance;

29.8.2. to give an indemnity or to establish a policy for the Company to give indemnities to the Directors generally under Article 38; or

29.8.3. to set a policy for the payment of Directors' fees and expenses under Article 28.

29.9. In the event that there are not sufficient Directors to hold a quorate Board Meeting because one or more Directors have a personal interest in a relevant matter and are not permitted to form part of the quorum, then those Directors with a personal interest may form part of the quorum for the purposes of agreeing to circulate an ordinary resolution to the Shareholders detailing the extent of the conflict arising from the personal interest and requesting the Shareholders to authorise the Director's conflict arising from their personal interest.

29.10. In the event that a resolution is passed by the Shareholders in accordance with Article 29.9, the Director(s) with such an authorised personal interest may then count as part of the quorum and for voting purposes in relation to the relevant matter.

29.11. Non-Personal Interests

29.11.1. A Director who has an interest in a matter which is to be discussed or determined by the Board but which is not a personal interest may, subject to his fulfilling his duty to act in the best interests of the Company and to the right of the remaining Directors to require that he should withdraw from the Board Meeting at which the matter is to be discussed or determined:-

29.11.1.1. count towards the quorum in relation to that matter;

29.11.1.2. take part in the discussion in relation to that matter;

29.11.1.3. remain in the Board Meeting at which the matter is to be discussed or determined; and

29.11.1.4. vote in relation to that matter.

29.11.2. A Director is not to be regarded for the purposes of this Article 29 as having a non-personal interest in any matter if his interest in that matter arises solely because:

29.11.2.1. he is a Director or an officer of any body the accounts of which are consolidated with the Company's accounts;

29.11.2.2. he is an elected member, employee or officer of the Council or any local authority that is a Shareholder;

29.11.2.3. he is a director or officer of any subsidiary of the Company; and/or

29.11.2.4. he is a director or officer of the Company's holding company or another person that wholly owns the Company;

but he must nonetheless disclose his interest in accordance with Article 29.1.

29.12. A Director may disclose the business of the Company to the Council where the Council is a Shareholder.

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PART E. BOARD MEETINGS

30. POWERS OF THE BOARD

30.1. Subject to the Act, the Articles and any Relevant Agreement, the business of the Company is to be managed by the Board who may exercise all the powers of the Company.

30.2. Alterations of the Articles do not invalidate earlier acts of the Board which would have been valid without the alteration.

30.3. The Shareholders may, by special resolution, direct the Board and/or any Director to take, or refrain from taking, specified action.

30.4. No special resolution under Article 30.3 shall invalidate anything which the Board and/or any Director may have done before the resolution is passed.

30.5. Decisions on matters specified in a Relevant Agreement or otherwise and designated as "Shareholder Reserved Matters" shall be reserved to the Shareholders of the Company from time to time for their prior approval.

31. BOARD MEETINGS

31.1. Subject to the Articles and any Relevant Agreement, the Board may regulate Board Meetings as it wishes.

31.2. Board Meetings are to be called by any Director or the Secretary (if any).

31.3. Seven clear days' notice of Board Meetings must be given to each of the Directors but it is not necessary to give notice of a Board Meeting to a Director who is out of the United Kingdom.

31.4. A Board Meeting which is called on shorter notice than required under Article 31.3 is deemed to have been duly called if at least two Directors certify in writing that because of special circumstance it ought to be carried as a matter of urgency.

31.5. Questions arising at a Board Meeting are to be decided by a simple majority of votes and each Director is to have one vote. Where a Director is also an Alternate Director then he has an additional vote on behalf of each Appointer who is:

31.5.1. Not participating in the Board Meeting; and

31.5.2. Would have been entitled to vote if they were participating in it.

31.6. If there is an equality of votes the Chair is entitled to a second or casting vote.

31.7. A technical defect in the appointment of a Director or in the delegation of powers to a Committee of which the Board is unaware at the time does not invalidate decisions taken in good faith.

32. QUORUM FOR BOARD MEETINGS

32.1. Subject to Article 32.3, the quorum for Board Meetings is three Directors.

32.2. A Director may be part of the quorum of a Board Meeting if he can hear comment and vote on the proceedings through telephone, video conferencing or other communications equipment.

32.3. The Board may act despite vacancies in its number but if the number of Directors is less than three the Board may act only to procure the appointment of Directors by ordinary resolution of the Shareholders under Article 27.2.

32.4. At an inquorate Board Meeting or one which becomes inquorate for more than 20 minutes the Directors present may act only to call a General Meeting.

33. CHAIR

33.1. The Company must have a Chair. The Chair (and any deputy who serves in his/her place) must be elected by the Directors from amongst their number.

33.2. The Chair is to hold office for 3 years or such other period as the Board shall from time to time determine.

33.3. The Chair may resign from his position at any time (without necessarily resigning as a Director at the same time).

33.4. Where there is no Chair the first item of business of a Board Meeting must be to elect one.

33.5. The Chair may be removed from the office of Chair (but not as a Director) only at a Board Meeting called for the purpose where the resolution to remove him is passed by 75% of the Directors who are present and voting. The Chair must be given an opportunity to say why he should not be removed.

33.6. The Chair is to chair all Board Meetings at which he is present unless he does not wish to do so.

33.7. If the Chair is not present within 10 minutes after the starting time of a Board Meeting another Director must chair that Board Meeting during the Chair's absence.

33.8. If the Chair is absent or does not wish to chair the Board Meeting then the Board must elect one of the other Directors who is present to chair the Board Meeting during the Chair's absence.

34. DELEGATION

34.1. The Board may:

34.1.1. establish Committees consisting of those persons the Board decides;

34.1.2. delegate to a Committee any of its powers;

34.1.3. determine the quorum for Committee meetings; and

34.1.4. revoke (in whole or in part) or alter a delegation at any time.

34.2. The Members of a Committee are to be appointed by the Board to hold office for whatever period the Board decides and may be removed or replaced by the Board at any time.

34.3. The Board may specify the financial limits within which any Committee must function.

34.4. The Board may authorise a Committee to operate any bank account. The Board must decide upon the way in which that account must be operated.

34.5. The Board may also delegate to any Directors or any other person such of their powers as they consider desirable to be exercised by him. The Board may revoke (in whole or in part) or alter such a delegation at any time.

35. OBSERVERS

35.1. The Board may allow individuals who are not Directors to attend Board Meetings as Observers on whatever terms they decide.

35.2. Observers may not vote, but may take part in discussions unless the Board decides otherwise.

35.3. The Board may exclude Observers from any part of a Board Meeting where the Board considers the business is private.

36. DIRECTORS' WRITTEN RESOLUTIONS

36.1. A written resolution signed by all of the Directors entitled to receive notice of a Board Meeting (provided they would constitute a quorum at a Board Meeting) is as valid as if it had been passed at a Board Meeting.

36.2. A written resolution signed by all of the members of a Committee (provided they would constitute a quorum of that Committee) is as valid as if it had been passed at a meeting of that Committee.

36.3. A resolution under Articles 36.1 or 36.2 may consist of several documents in similar form each signed by one or more of the Directors or Committee members and will be treated as passed on the date of the last signature.

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PART F. OFFICERS

37. THE SECRETARY

37.1. The Board may decide whether to appoint a Secretary and for what term.

37.2. Where appointed a Secretary may be removed by the Board at any time.

37.3. No Director may occupy a salaried position of Secretary.

37.4. Where any Secretary appointed is an employee of the Council then he shall not be paid any fee or expenses by the Company.

38. INDEMNITIES FOR OFFICERS AND EMPLOYEES

38.1. No officer or employee is to be liable for losses suffered by the Company except those due to his own dishonesty or gross negligence.

38.2. Subject to the Act every Director, officer or employee is to be indemnified by the Company against any liability incurred in the discharge of his duties or in that capacity in defending any civil or criminal proceedings as long as:

38.2.1. judgment is given in his favour (or the proceedings are dealt with without a finding or admission of a material breach of duty by him);
or

38.2.2. he is acquitted; or

38.2.3. relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

PART G. STATUTORY AND MISCELLANEOUS

39. MINUTES

39.1. The Board must arrange for minutes to be kept of all Board and General Meetings. The names of the Directors present must be included in the minutes.

39.2. Copies of the draft minutes of Board Meetings must be distributed to the Directors as soon as reasonably possible after the meeting.

39.3. Minutes must be approved as a correct record at the next General Meeting (as regards minutes of General Meetings) or Board Meeting (as regards minutes of Board Meetings). Once approved they must be signed by the person chairing the meeting at which they are approved.

39.4. The Board must keep minutes of all of the appointments made by the Board.

40. ACCOUNTS ANNUAL REPORT AND ANNUAL RETURN

40.1. The Company must comply with Part 15 of the Act in:-

40.1.1. preparing and filing an annual Directors' report and annual accounts; and

40.1.2. making an annual return to the Registrar of Companies.

40.2. The Company must comply with Part 16 of the Act in relation to the audit or examination of accounts to the extent that the law requires.

40.3. The annual Directors report and accounts must contain:-

40.3.1. the revenue accounts and balance sheet for the last accounting period;

40.3.2. the auditor's report on those accounts (if applicable); and

40.3.3. the Board's report on the affairs of the Company.

40.4. The accounting records of the Company must always be open to inspection by a Director.

41. BANK AND BUILDING SOCIETY ACCOUNTS

41.1. All bank and building society accounts must be controlled by the Directors and must include the name of the Company.

41.2. Cheques and orders for the payment of money must be signed in accordance with the Board's instructions.

42. EXECUTION OF DOCUMENTS

42.1. If the Company has a seal it may only be used with the authority of the Board (which may be given generally for documents of a particular type).

42.2. Unless the Board decides otherwise, documents to which the seal is attached or which are executed as deeds must be signed by:

42.2.1. two Directors; or

42.2.2. one Director and the Secretary (where appointed); or

42.2.3. one Director in the presence of a witness who attests the Director's signature.

43. NOTICES

43.1. Notices under the Articles must be in writing (which shall include suitable electronic means) except notices calling Board Meetings.

43.2. A Shareholder present in person at a General Meeting is deemed to have received notice of the General Meeting and (where necessary) of the purposes for which it was called.

43.3. The Company may give a notice to a Shareholder, Director or auditor:

43.3.1. personally;

43.3.2. by sending it by post in a prepaid envelope;

- 43.3.3. by suitable electronic means;
- 43.3.4. by leaving it at his address; or
- 43.3.5. as the Board prescribes from time to time.

43.4. Notices under Article 43.3.2 to 43.3.4 may be sent:

- 43.4.1. to an address in the United Kingdom which that person has given the Company;
- 43.4.2. to the last known home or business address of the person to be served; or
- 43.4.3. to that person's address in the Company's register of Shareholders.

43.5. Any notice given in accordance with the Articles is to be treated for all purposes as having been received:

- 40.5.1 24 hours after being sent by electronic means or delivered by hand to the relevant address;
- 40.5.2 48 hours after being sent by first class post to that address;
- 40.5.3 on being handed to a Shareholder or Director personally;
- 40.5.4 as soon as the Shareholder or Director acknowledges actual receipt.

43.6. A notice may be served on the Company by delivering it or sending it to the Registered Office or by handing it to the Secretary (where appointed).

43.7. The Board may make standing orders to define other acceptable methods of delivering notices.

44. STANDING ORDERS

44.1. Subject to Article 44.4

44.1.1. the Board may from time to time adopt, alter, add to or repeal make standing orders for the proper conduct and management of the Company; and

44.1.2. the Company in General Meeting may alter, add to or repeal the standing orders.

44.2. The Board must use such means as they think sufficient to bring the standing orders to the notice of Shareholders.

44.3. Standing orders are binding on all Shareholders and Directors.

44.4. No standing order may be inconsistent with or may affect or repeal anything in the Articles.

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MONMOUTHSHIRE COUNTY COUNCIL

ARTICLES OF ASSOCIATION: SUMMARY

- Required by the Companies Act 2006. There are model forms but the proposed Articles are a bespoke form for a local authority company.
- Act as the main constitutional document of the company.
- Can only be changed by special resolution of the shareholders.
- Publicly available - must be filed at Companies House on incorporation and each time they are changed.
- Articles 2-6 set out the basic details of the company including its powers (as a legal entity), the limitation on liability for the Council as shareholder and a broad description of what the company has been set up to do (the Objects).
- Articles 7-17 deal with the shares of the company including altering the shares, the procedure for transfers and declaring dividends.
- Articles 18-26 deal with decisions by the shareholders (in this case just the Council). Decision making can be at a general meeting or (more likely) by written resolution. These procedures are about putting into effect – from a company law perspective – the decisions by the Council (e.g. through the Shareholder Committee). The requirements for an AGM can be found here – it is possible for the shareholders to resolve not to have an AGM. Shareholder decisions are either ordinary resolutions (more than 50% voting in favour) or special resolutions (75% or more voting in favour) – this will not be an issue whilst the company is wholly owned by the Council.
- Articles 27-36 are about the appointment of Directors (only by the shareholders) and once appointed how the Directors will run the company. This could be through a Board meeting or through a written resolution. The Board is able to delegate down decision making to committees of the Board, individual Directors or other officers of the company. Voting at Board meetings is by simple majority and the chair of the Board has a casting vote in the event of a tie. Board written resolutions must be unanimous.
- Article 30 provides that the Board is to manage the business of the company and exercise all of the company's powers. This is at all times subject to any matters reserved for decision by the Council (through the provisions of the Governance Agreement – referred to in the Articles as a "Relevant Agreement"). The shareholders

are also able to – by special resolution – direct the Board to do something or to stop doing something.

- Article 37 enables the Directors to appoint a Company Secretary. Although company secretarial duties must be discharged it is not necessary to appoint a specific person as the Company Secretary.
- Article 38 sets out the circumstances in which the company can indemnify its Directors, other officers and employees.
- Articles 39-44 are administrative provisions including the requirements for: minutes to be kept; annual reports of the company to be prepared; and the company annual return to be submitted to Companies House. These Articles also deal with bank account requirements and who is able to execute documents on behalf of the company.



MonLife: Application of Charity Law

Monmouthshire Council

Advice in relation to charity law implications of establishing
and participating in a new charity

11 April 2018

Ref: GEM 43856.0001

BACKGROUND AND INTRODUCTION

Monmouthshire Council (the “Council”) is creating an Alternative Delivery Model (“ADM”) for the delivery of a range of leisure, youth, and culture and heritage services. The group structure is described in more detail in earlier advice, but in brief includes a Teckal vehicle which will provide services directly back to the Council and a charity (“MonLife”) which will provide leisure services and cultural and heritage services to the wider population.

In this advice note we set out some further considerations in relation to the workings of MonLife and the way in which MonLife will interact with the Council. In particular, we address the following points:

- the Council’s role as Charity member and trustee;
- how the first directors will be appointed and thereafter how the Charity will appoint its directors;
- who the other members of the Charity will be – and whether the Charity will admit users of the various facilities as members;
- the Charity’s relationship with the Council under a Grant Agreement including any State aid implications; and
- the Charity’s ability to trade, and the need for a trading company.

We consider each of these points in detail below.

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DETAILED ADVICE – CHARITY LAW

THE COUNCIL'S ROLE IN THE CHARITY

There are two central options for the Council in its relationship with the Charity: (1) act as a corporate trustee, with an appointed representative acting in that role; or (2) nominate directors to the charitable company, who will individually be trustees of the Charity.

Unless there is compelling reason, the Charities Commission would not normally accept the Council as sole trustee in the Charity. Charity Commission operational guidance indicates:

In order to be a Charity, a body must be established for exclusively charitable purposes. It cannot be established to further the purposes of some noncharitable body such as the local authority itself. Local authorities and charities often both have close interests in local topics. The Charity needs to be independent of the local authority in the sense that decisions about the administration and operation of the Charity need to be taken solely in the interests of the Charity, with a view to furthering its charitable purposes, and for no other purpose.

Against this background, although there may be benefits in a particular case in having a local authority as trustee, in general there are potentially serious disadvantages... Therefore, in exercising our power under s.69 of the 2011 Act to appoint Charity trustees, unless there is a compelling reason for appointing the local authority, we will generally try to make some other trustee arrangement.¹

In this sense, Charity Commission Operational Guidance makes it clear that the Charity Commission is not likely to accept the Council as sole corporate trustee of the Charity.

Traditionally, the directors of a charitable company are also its charitable trustees, and this is generally the simplest and most straightforward arrangement. For the purposes of the Charities Act 2011, Charity trustees are "the persons having the general control and management of the administration of a Charity" (section 177, Charities Act 2011). And so a meeting of the company's Board of Directors (from a company law perspective) is the same as a meeting of the Charity's Board of Trustees, and a decision of the Directors and a decision of the Trustees amount to the same thing.

The Council could choose to be a "corporate" director (i.e. a director who is a corporate entity not a natural person) and a corporate trustee. It would then need to appoint an individual representative to

¹ See Charity Commission operational guidance OG56 A1 at: <http://ces.charitycommission.gov.uk/g056a001.aspx#tab2>
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perform this role in meetings of the Board. The articles of association would need to recognise that individual appointed by the Council as representing the Council in its role as director and trustee.

However, the Small Business, Enterprise and Employment Act 2015 (“SBEEA”) introduced provisions which propose to abolish the concept of a corporate director. Section 87 of the SBEEA replaces section 155 of the Companies Act 2006 with a new section 156A, which requires all company directors to be natural persons.

This provision is not yet in force, and so it is still possible for the Council to act as a corporate director for the time being. However, for companies with corporate directors, those corporate directors will cease to be directors one year after the new section 156A of Companies Act 2006 has come into force (subject to any exceptions set out in regulations made under section 156B of CA 2006) (section 156C). As such, the Council may wish to “future proof” the governance of the Charity to anticipate the coming into force of the relevant provision of the SBEEA and avoid a situation where the Council is no longer a Charity trustee.

An alternative role is therefore suggested:

- the Council is a member of the charitable company (a similar role to that of shareholder in a company limited by shares);
- the Council, in its capacity as member of the charitable company, has the ability to appoint all or part of the Board of Directors (who are also the Charity’s Trustees).

The Council would therefore not be a Charity trustee, but would appoint individuals to the Board who would each individually be trustees.

In either case, it will be important for the individuals appointed to the Board to understand the role they are playing:

- are they there because they are trustees? I.e. the Council has appointed trustees to the Board – in which case the individuals have responsibility for the administration of the Charity and will have personal liability (as they do as company directors in any case); or
- are they carrying out the Charity’s business on behalf of the Council because the Council is the trustee of the Charity? If the Council itself is trustee, the individuals appointed by the Council will be managing the Charity’s affairs on the Council’s behalf.

The Council will also need to give thought to the benefit of the Board being made up from a wider pool of people than just Council nominees.

APPOINTMENT OF THE BOARD

Assuming the decision is made that the Council will be a member of the charitable company, rather than a corporate director and trustee, the first Board of Directors and Trustees will be made up of those individuals who make up the Shadow Board prior to incorporation. In essence, these are appointed by the Council. The draft Articles are currently drafted so that directors can be appointed either by ordinary resolution (i.e. by the company's members) or by a resolution of the existing directors.

This gives the Council, alongside any other members, the ability to appoint to the Board of Directors and Trustees. The current draft Articles do not give the Council an explicit right to appoint a certain number or proportion to the Board, to avoid any suggestion of inappropriate control by the Council over the Charity. This can be reconsidered if there is a particular need for the Council to have specific rights to appoint to the Board (aside from other charitable company members) but would need to be discussed with the Charity Commission to ensure the Commission were comfortable. The decision made in this regard may depend on the decision made as regards who the other Charity members will be.

WHO THE OTHER MEMBERS OF THE CHARITY WILL BE

The Directors of the Charity will also become members. In addition to the Council and the Board, it has been suggested that users of the leisure, cultural and heritage facilities that will be managed by the Charity could be offered membership in the Charity (with the potential to offer discounts to those members).

For the time being, the draft Charity Articles provide simply for a power for the Board to admit individuals or organisations as members on application. The Board has absolute discretion as to who it admits as members. The Board can create different classes of membership (with different rights attaching to those classes). This could be used to allow for a "service user" membership class or, likewise, a staff membership class.

If admitted as company members, individuals would have a say in the overall management of the charitable company. Different classes of membership could be created, however, with a weighting attached to the class of membership offered to individuals, to ensure a proportionate approach to the management of the company. Any weighted voting rights which gave the Council significant control over the company would need to be considered in the light of charity law (and see above our commentary in relation to the Council as trustee).

1. GIFT AID

In the context of these individual members, we are asked whether their contributions could be the subject of Gift Aid. The key point to note is that it is donations that benefit from Gift Aid – as to benefit from Gift Aid, there must be a gift. Membership subscriptions that are made to gain access to the Charity's facilities and services (such as leisure centres) are not gifts, so are not eligible for Gift Aid. For example,

the Income Tax Act 2007 is clear that membership fees paid to community amateur sports clubs are not gifts, in particular (section 430(2), Income Tax Act 2007).

Even where there are genuine donations (as may be the case at museums managed by the Charity, for example), there are limits on the donations that can qualify for Gift Aid and, in particular, the donor must not receive significant benefits from the Charity in return for his or her donation – the Charity can give only modest benefits to the donor in return for the donations.

These limits are set by the Income Tax Act 2007, which provides two tests:

The **relevant value** test (section 418(2), ITA 2007): gifts of up to £100 can receive a benefit of no more than 25% of the donation; gifts between £101 and £1,000 can give a benefit of £25, and gifts of £1,001 and more can receive a benefit of 5% (with a maximum of £2,500). So the relevant value test means that, for a “donation” by a member to benefit from Gift Aid, the benefit to the member must be under these limits. This will place a limit on any discounts that the Charity offers to members, if it wants to benefit from Gift Aid;

The **aggregate value** test (section 418(3), ITA 2007): any individual donor cannot receive more than £2,500 in benefits in return for donations in any tax year (across his or her donations to that Charity).

This does not, of course, stop the Charity from offering discounts or benefits outside of these ranges, but doing so would mean that it did not benefit from Gift Aid on the donations received. However, to the degree that benefits are offered to individual members, therefore, it may be unlikely that their payments to the Charity will benefit from Gift Aid, because they are receiving too great a benefit from the Charity in return for payments.

DETAILED ADVICE – THE CHARITY’S RELATIONSHIP WITH THE COUNCIL UNDER A GRANT AGREEMENT

Given the considerations discussed above in relation to the charity law implications of the Council’s role as a Charity member or trustee, the Charity’s main relationship with the Council is likely to be via its grant agreement.

It is important to stress that, as the Charity will not be a Teckal subsidiary of the Council, the Public Contracts Regulations 2015 will apply to any public services contract that the Council entered into with the Charity. However, given the range of services and facilities to be managed by the Charity, it is not envisaged that the Council will require the degree of control over the arrangements that a public services contract implies. It is therefore proposed that a grant funding agreement be entered into between the Council and the Charity.

By way of a brief and general summary, the characteristics of a contract include:

- an obligation to deliver something to the paying public body which is often for the benefit of that public body, and to a detailed specification;
- an obligation on the public body to pay for the services provided;
- the requirement to charge VAT on the supply of those works, services or goods to the paying public body; and
- provisions setting out what happens when either party fails to comply with the terms of the contract, including the ability of the paying public body to recover from the recipient organisation financial losses it suffers as a result of a failure of that recipient organisation to deliver the works, services or goods it is contractually required to provide.

By contrast, the characteristics of a grant include:

- it is a gift of funds, often given for a specified purpose;
- it is often given to enable the grant recipient to provide works, services or goods to third parties rather than for the public body's direct benefit;
- the ability for the grant recipient simply to hand back the grant without there being an obligation on them to deliver the works, services or goods which it was given to enable them to provide;
- VAT not being payable on the grant; and
- the financial obligation of the grant recipient is limited to paying back all or part of the grant on clawback, rather than compensating the paying public body for losses it has incurred as a result of the non-delivery or failed delivery by the recipient organisation.

For this reason, local authorities will generally prefer contracts over grants for “statutory” services (where there is a need to ensure certainty of delivery), but likewise contemplate grant funding for services the local authority is not under a duty to provide (where the outcome can more readily be entrusted to a third party and the local authority can still demonstrate the benefits to the residents in its area of providing the funding).

It is relatively settled law that grant agreements, where a grant is given to another organisation for the benefit of either that organisation or to enable a third party to receive services, supplies or works from that organisation, do not fall within the remit of the EU procurement rules. This opinion has been reinforced by a European case, *Commission v Ireland*². The case concerned the provision of emergency ambulance services by Dublin City Council. The Eastern Regional Health Authority gave the Council funding towards the costs of providing the services. The court held that “the mere fact that, as between two public bodies, funding arrangements exist in respect of such services does not imply that the

² *Commission v Ireland*, Case C-532/03
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provision of the services concerned constitutes an award of a public contract which would need to be assessed in the light of the fundamental rules of the Treaty”.

While grant funding is not subject to the EU procurement rules, it may nevertheless be open to challenge in individual cases whether something is in fact a grant or a contract. It is possible for an agreement to demonstrate a mixture of the characteristics of both. If the arrangements are challenged in court, the court will analyse each of the relevant factors and decide whether it thinks the arrangements constitute a grant or a contract. This means that clear drafting of the grant agreement is vital to avoid legal challenge. However, this does not change the basic point that, where an agreement is very clearly a grant agreement, it is not subject to the EU procurement rules.

The drafting of the grant agreement will need to ensure that the right balance is struck – sufficient clarity to enable the Charity to know how it is permitted to apply the grant, while not binding the Charity to provide anything to the Council in return for the funding.

The Council will also need to give consideration to State aid rules and how they might apply to the grant to the Charity, and we consider the rules around State aid below.

DETAILED ADVICE – APPLICATION OF STATE AID RULES

Not all public funding will constitute State aid. State aid relates to financial assistance given by a Member State or through State resources in whatever form (in this case the Council), to an organisation, where such assistance gives that organisation an advantage over competitors. This advantage either distorts or threatens to distort competition in the organisation’s field of work and affects trade between Member States. For this reason, State aid is generally prohibited. However, State aid is permitted in limited circumstances where it can be shown to be necessary to achieve certain EU specified objectives compatible with the common market.

The State aid test is derived from Articles 107 and 108 of the EC Treaty. Article 107(1) says that:

“Save as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, insofar as it affects trade between Member States be incompatible with the common market.”

This definition can be broken down into four main tests:

- (a) Is there aid granted by the State or through State resources?
- (b) Does the aid favour certain undertakings or the production of certain goods?
- (c) Does the aid distort or threaten to distort competition?
- (d) Does the aid affect trade between Member States?

For there to be State aid, all four of these tests must be met. We consider each in turn below.

STATE RESOURCES

Funding by the State, or through State resources, may be State aid. Funding received from the Council would be considered State resources. This test is therefore met.

UNDERTAKINGS

One of the key terms used in Article 107(1) is “undertaking”. An undertaking is any organisation carrying out “economic activity” in a market. The activity or activities are what is important, rather than the type of organisation, and so charities, trusts, voluntary sector bodies, and ‘not-for-profit’ companies can all count as undertakings for the purposes of State aid rules. Indeed, even local authorities carrying out “economic activities” can be “undertakings”.

However, an organisation may be an undertaking for some purposes and not for others, if it carries out both economic activities and non-economic activities.³

“Economic activity” is a broad concept, encompassing situations where an entity offers goods and services on a market where there either is, or could practically be, competition.⁴ The European Commission’s consideration of this in its “Notice on the notion of State aid”⁵ confirms that, following European case law, “any activity consisting in offering goods and services on a market is an economic activity”. It follows, therefore, that if there are no goods or services offered on a market, then there is no economic activity.

The Notice on the notion of State aid also confirms that the question of whether or not a market exists for any particular services “may depend on the way those services are organised in the Member State concerned and may thus vary from one Member State to another. Moreover, due to political choice or economic developments, the classification of a given activity can change over time”. There is a recognition that, because it may vary from time to time and between different Member States, it is not possible to draw up a list of what does (and does not) constitute economic activity.

However, there is helpful guidance in connection with culture and heritage conservation which is perhaps informative in the circumstances by way of analogy. This guidance recognises that some activities at least relating to culture, heritage and nature conservation can be organised in a “non-commercial way and thus be non-economic in nature”. The example given is of public funding of a cultural or heritage conservation activity accessible to the public free of charge (or for a contribution that only covers a fraction of the true costs), which fulfils a purely social and cultural purpose. Where the cultural offer of the Charity (including museums) is offered free of charge or for a nominal sum,

therefore, funding from the Council will not constitute State aid, as the Charity is not engaging in an economic activity. This may also be the case for parts of the outdoor education offering.

³ *Aéroports de Paris v Commission*, Case T-128/98

⁴ See, for example, *Commission v Italy*, Case 118/85, and *Aéroports de Paris v Commission*, Case T-128/98 ⁵ *Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union* (2016/C 262/01) of 19th July 2016

This argument is not applicable to the leisure offer of the Charity, where we anticipate that it will be clearer that there is a service offered on the market for a fee which is more than just token.

We have therefore considered the other State aid tests below as they remain relevant to the funding of the leisure services.

ADVANTAGE

Following DCLG guidance, an “advantage is established where the beneficiary is, or has the potential to be, in a better position as a result of the measure. In most situations, such as a grant of money, it will be clear that an advantage has been provided to any individual organisation receiving the funding, as compared to other economic undertakings which have not received it”³. So an advantage is any economic benefit which could not have been obtained under normal market conditions (in the absence of the State intervention).

For there to be unlawful State aid, the advantage must be “selective” – i.e. it must favour one particular undertaking rather than being made available as a general measure. As the funding will be granted to the Charity, and is not available to others, there will be an advantage to the Charity, and this test is therefore met.

We therefore consider that there is a risk that a selective advantage is given to the Charity by the funding from the Council.

DISTORTION TO COMPETITION

Support through State resources will only be State aid if it distorts, or threatens to distort, competition. So it is enough for there to be the threat of a distortion of competition. Following case law, a measure is considered to distort or threaten to distort competition “when it is liable to improve the competitive position of the recipient compared to other undertakings with which it competes”⁴. So there must be competition, or at least the potential for competition.

³ DCLG guidance, Chapter 2

⁴ The Notice on the Notion of State aid, referencing *Philip Morris*, Case 730/79
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The relevant marketplace for determining whether or not competition could be distorted may vary; it can be described as the geographical area in which undertakings compete to win business. A dim view would normally be taken of attempting to restrict the view of what the market is to an unrealistically tight geographical location. Even a small amount of aid will be considered to have the potential to distort competition within the marketplace. In this context, there is an obvious risk that the funding will distort competition, as the Charity's position in the leisure "market" is improved through the funding.

EFFECT ON TRADE BETWEEN MEMBER STATES

There will only be aid insofar as the measure affects trade between EU Member States. This includes not only situations where it is clear that there is an actual effect on inter-State trade, but also where the aid is liable to affect trade.

This effect on trade "cannot be merely hypothetical or presumed, it must be established why a particular measure distorts or threatens to distort competition and is liable to have an effect on trade between Member States, based on the foreseeable effects of the measure".⁵ Trade between Member States may not be affected where the activity has a purely local impact (sports and leisure facilities have, for example, been considered not to affect trade between Member States⁶). It was held in the case of Dorsten that there was a clear distinction between providing aid to a swimming pool used by the inhabitants of a town and the surrounding area, compared with that of providing aid to promote major theme parks targeting a national or even international audience. The latter, as it was aiming to attract international visitors, would be considered to affect trade between Member States, whereas the Commission took the view that there was practically no likelihood of intra-Community trade being affected by the former.

The Dorsten case is directly applicable to the proposed leisure offering of the Charity. While the leisure offering will be available to visitors to the area as well as residents, it is hard to see that there would be any effect on intra-Community trade though the funding of local leisure services.

We therefore consider that, to the extent that funding is provided by the Council to support the Council's leisure offering, there is no effect on trade between Member States and therefore no aid. This is reinforced by the Notice on the notion of State aid, which specifies a number of possible categories which might be considered not to affect trade, including "sports and leisure facilities serving predominantly a local audience and unlikely to attract customers or investment from other Member States"⁷.

⁵ The Notice on the Notion of State aid, referencing AITEC and others v Commission, joined cases T-447/93, T448/93 and T-449/93

⁶ For example in Dorsten, Case N 258/2000

⁷ Notice on the notion of State aid, page 43

An equivalent argument is available concerning cultural events and institutions, on which the Notice on the notion of State aid indicates “the Commission considers that only funding granted to large and renowned cultural institutions and events in a Member State which are widely provided outside their home region has the potential to affect trade between Member States”⁸.

While not specifically referred to in the Notice, it is arguable that the same is also true of the youth services and outdoor education offering.

CONCLUSIONS

Following through the different sections of the State aid test, it is clear therefore that the majority of the Charity’s activities (and the funding of them by the Council) will not constitute State aid. In the case of the sports and leisure facilities and the cultural offer (including museums and art galleries) there is a strong argument for saying that there is no effect on trade between Member States following the Dorsten case referred to above. There are further arguments for suggesting that some of the cultural activity (that connected with cultural conservation) does not constitute economic activity and so in undertaking those activities the Charity would not be acting as an undertaking.

The Council and the Charity will need to consider whether there are further activities not caught by the above descriptions for which the Council is going to provide grant funding. This may in particular include the Charity’s proposed activities in the context of youth engagement / education and outdoor education, if these are not felt to be caught by the descriptions of cultural and heritage conservation (in the context of “economic activity”) or it is felt that there is a risk that the proposed funding will have an effect on trade between Member States (which we consider highly unlikely).

To the extent that there are activities to which the State aid rules might apply were the Council to be funding them, it would seem likely that these activities would be traded in a commercial manner and would therefore likely be housed within the trading subsidiary to the Charity (and see our advice below in relation to the separation of activities between the Charity and the trading subsidiary).

DETAILED ADVICE – TRADING ACTIVITIES AND THE NEED FOR A TRADING SUBSIDIARY

To the extent that the charity is selling goods or services, it will need to certain whether its activities are considered “trading” and, for any trading activity, what type of trading this is.

This is important for two reasons:

- the Charity can only act in accordance with its objects – and so trading which is not part of the Charity’s trading will need to be done separately (usually by a trading subsidiary); and
- some trading income may be subject to tax.

⁸ ibid
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A distinction is made between “primary purpose” and non-primary purpose” trading by charities. Selling goods or services to directly further the Charity’s charitable purposes is “primary purpose” trading and can be undertaken by the Charity itself. This would include the Charity charging admission for an exhibition at an art gallery, for example, as the Charity’s objects extend to the maintaining of art galleries. Trading that is ancillary to this – i.e. which supports the primary purpose trading – is also permitted within the charity.

Income from primary purpose and ancillary trading may be exempt from tax if it is used solely to support the Charity’s aims.

“Non-primary purpose” trading is trading with a view to raising funds, with no direct link to the Charity’s objects. Charities can carry out non-primary purpose trading so long as there is no significant risk that the Charity could lose money from the trading. Profits are usually taxable, even if they are used to support the Charity’s main objects. For this reason, it can be prudent to create a trading subsidiary to the Charity, to ring fence risk and to enable the trading to be undertaken without the restrictions that would exist within the Charity.

SMALL SCALE EXEMPTION

For tax purposes there is a “small scale” trading exemption, through which the Charity, if it were trading within the constraints of the exemption, will not be liable to tax. The constraints are:

- the annual turnover of the non-charitable trading (including any incoming resources from miscellaneous activities that might potentially qualify for the exemption) must not exceed the following thresholds:

Total of all incoming resources ⁹ of the chargeable period	Maximum permitted turnover from charity in the relevant non-charitable trading activities in the chargeable period
Under £20,000	£5,000
£20,000 to £200,000	25% of total gross income
Over £200,000	£50,000

- If the trading does exceed that threshold, there was a reasonable expectation at the start of the relevant chargeable period (either a tax year for income tax purposes or the Charity’s accounting period for corporation tax purposes) that it would not exceed the threshold.

⁹ the total receipts of the charity for the chargeable period from all sources, calculated in accordance with normal charity accounting rules.

THE BOARDS OF THE CHARITY AND THE TRADING SUBSIDIARY

The Charity may choose to appoint one or more of its trustees or employees as directors of the trading company, but should bear in mind when doing so:

- a charity trustee cannot be paid for their services as a director (or an employee) of the trading subsidiary, unless specifically authorised by the Charity's governing document or the Commission;
- the trading subsidiary must be kept at arm's length from the Charity;
- the interests of the two companies may conflict, and these conflicts of interest need to be managed. Charity Commission guidance is for at least one person on the Board of each entity (the Charity and the trading subsidiary) to have no links with the other – i.e. one Charity trustee who is not on the Board of the trading subsidiary, and one Director of the trading subsidiary who is not on the main Charity board or an employee of the Charity.

If you have any queries or comments in relation to this document please contact:

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Monmouthshire County Council

Advice re membership of the Board of MonLife Plus LTD; of the Shareholder Committee relating to MonLife Plus Ltd; and of the Monlife charity.

1. MonLife Plus Ltd is a separate legal entity. Although it is wholly owned by the Council, and is set up as a Teckal Vehicle, which means that the Council is able to award contracts directly to it; it is a limited Company which has a Board of Directors in charge.
2. However, as Monlife Plus Ltd is owned by the Council, and is funded by public money to deliver services on behalf of the Council, it is important that the Council has sufficient control over its activities to ensure that the Council is able to protect the asset whilst allowing the Company to be take advantage of its company status in the way it operates.
3. This control is exercised through two documents. The first is the Articles of Association, which act like the Company's constitution in that they govern the way in which the Company behaves, what it is set up to do etc. The second document is the Shareholder, or Governance Agreement. This takes priority over the Articles; and sets out the relationship between the Council and the Company and the way in which the Council, through the Shareholder Committee, controls the activities of the Company.
4. There are two sets of appointments to be made. The Company needs to have a Board of Directors; and a Shareholder Committee must be established. There needs to be a different membership serving on the Board and on the Shareholder Committee, as there is a clear danger of conflict if this was not the case.
5. Firstly, the Board of Directors. The Board should be made up of a set of people whose skills and experiences are together, what the Company requires to operate to optimum success. Certainly when starting up, it is felt advisable that the number on the Board should be relatively low; consisting for example of the Managing Director, and Finance Director of the Company, a couple of senior officers from the Council, and a Non-Executive Director to add some assurance and external expertise. One member of the Board will be appointed as the Chair.
6. It is also possible to have Board Advisers, such as the Head of Service or equivalent. Advisers are able to attend meetings and speak, but do not have a vote. A Non-Executive Director would normally be appointed through an open recruitment process, with the NED being offered a small sum of remuneration for taking on the office.
7. Appointments of members to the Board are appointments to an outside body and under the constitution the Council appoints members to outside

bodies. Accordingly, if the Council wishes to have any elected members as directors, the appointment is made by Council.

8. The appointment of members to the Board can cause difficulty in terms of potential conflicts. Where an elected member is also a Director they have two sets of legal obligations to observe, neither of which can be avoided. Firstly, as a member of the Council they have to act in the best interests of the Council; but as a Director of the Company they have to act in the best interests of the Company. Even where the Company is wholly owned by the council, such conflicts can arise. This also means that they should not participate in decisions for the Council which involve the Company. For example a member Director who also has budgetary responsibilities at the Council may find that they have a conflict when it comes to considering payments or awards to the Company.
9. For these reasons some councils do not appoint members as Directors and instead members exercise control through the Shareholder Committee. If there is a desire none the less for member involvement, the Articles and Shareholder Agreement can provide that members of the Shareholder Committee are able to attend the Board as Observers, able to speak with the Chairman's permission, but without a vote.
10. The role of the Council as shareholder is an Executive function. This means that the Shareholder Committee has to be either Cabinet or a Cabinet Committee, which can only have Cabinet members as voting members, although other members can be co-opted as non-voting members. Given the potential for conflict between Cabinet and the Company- for example with the approval of budgets etc., we do not recommend that Cabinet exercises the shareholder function, but that this is delegated to a Cabinet Committee.
11. As the shareholder panel is not an outside body, but is exercising an internal role, Council does not appoint members to it. The Leader appoints the Cabinet members and if members of other groups are to be appointed, he would ask the other group leaders for their nominees.
12. As with the Board, it is generally advisable to keep the number of members on the Shareholder Committee low- four or five at most between the Executive and co-opted members; and certainly to avoid any cross over membership with the Board of Directors.
13. Co-opted members would normally be entitled to see all the papers which go to the Cabinet Committee, the only practical difference would be that they do not have a vote. In our experience voting is fairly rare at such meetings in any event. Decisions of the Cabinet Committee are subject to call-in in the usual way.
14. The schedule to the Shareholder Agreement gives details of the way in which the relationship between the Council and the Company works and

details what decisions need to be referred to the Shareholder Committee; what decisions are for the Board, and what decisions individual Directors are able to make. The most critical control points for the Shareholder Committee are the approval of the Business plan, as the Company cannot then deviate from that without the approval of the Shareholder Committee; the appointment and dismissal of directors; and the appointment and removal of the Chair.

15. As far as Monlife is concerned, this is to be a charity. This means that it is outside the Council and is independent from it, existing to fulfil its charitable aims and objectives, and not to carry out the policies of the council or be at its direction.

16. It is anticipated in the process of setting up the charity that the Council will retain the right to appoint some of the charity Trustees/ Directors. As this will amount to an appointment to an outside body, it will be the Council who makes these appointments. It is envisaged that Trustees will also be recruited from outside the Council.

Anthony Collins Solicitors LLP
May 2018

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Shadow Board Trustees for MonLife

The shadow board, along with the Interim Project team will determine the best preparations and direction for the new charity and develop a sustainable future for Tourism, Leisure, Culture and Youth services in Monmouthshire. The responsibility of the shadow board of trustees will be to take forward the project with vision, courage and imagination.

The shadow board will be a team with the commitment, skills, experience and well-established networks to lead the new charity. It will be well balanced with members of different ages, genders and areas of expertise, and with strong links in Monmouthshire and surrounding areas.

The shadow board will take ultimate responsibility for directing the affairs of the new charity, ensuring it sets and achieves a clear vision, mission and strategic direction as the trust develops. The Shadow Board will continue to work closely with the Interim Project Team to formulate and refine the ethical, social and community aims of the new organisation.

The relationship between the authority and the new organisation will be set out through Management and Grant Agreements, which will also define levels of transitional and ongoing support from the authority. These agreements, to be finalised by the Shadow Board, Interim Project team and MCC Liaison Officer, will set out the authority's commitment to financially, logistically and operationally support the new trust.

We will aim to appoint the chair and board members (9 in total) during July 2018 so they can play a meaningful shadow role before the trust officially begins to operate from the end of 2018. Successful applicants will join as part of the shadow board with the expectation that they go on to form the inaugural board of Trustees at the appropriate time.

Full support will be provided to the trustees from the Interim Project Team and resources will be made available to ensure that they can secure independent advice where necessary.

Skills Set for Shadow Board

Category	A - Essential Criteria	B - Desirable Criteria
Experience	<p>A.1 Good track record in business or community management</p> <p>A.2 Knowledge of the cultural, learning and / or leisure sector in Monmouthshire</p> <p>A.3 Working as part of a Board or Senior Management Team</p>	<p>B.1 Leading a team within a company or community organisation</p> <p>B.2 Fund raising experience</p> <p>B.3 Understanding of corporate governance issues including risk management</p> <p>B.4 Development of strategic policy</p>
Skills	<p>A.4 Relevant skills to contribute to the development of the company; we are particularly looking for skills in finance; legal, personnel, marketing, ICT, property, charity work, and general management</p> <p>A.5 Analytical skills to understand subject matter that may be complex from written and verbal sources</p> <p>A.6 Effective communication skills including the ability to listen to other opinions to form a balanced view and to challenge and debate in a constructive manner.</p> <p>A.7 Ability to contribute effectively to the work of a team or Shadow Board for the benefit of the organisation</p>	
Personal qualities	<p>A.8 Commitment to the success of the charitable objects of the company</p> <p>A.9 Good team player</p> <p>A.10 Able to act effectively as an ambassador for the company</p>	<p>B.5 Commitment to the wellbeing of Monmouthshire</p> <p>B.6 Positive outlook and approach</p>
Other requirements	<p>A.11 Resident in Monmouthshire or connection with the area</p> <p>A.12 Must be prepared to attend evening meetings</p>	<p>B.7 Appreciation of the status and operation of a charitable organisation</p> <p>B.8 Appropriate skills and experience to represent the diverse geographical nature of Monmouthshire</p>
Additional requirements for Board Chair	<p>A.13 Able to act effectively as main ambassador for the company</p> <p>A.14 Able to plan and conduct Shadow Board meetings effectively</p> <p>A.15 Previous Board or similar experience</p>	<p>B.9 Developed leadership skills</p> <p>B.10 Able to maintain an overview of company performance and development and advise accordingly</p> <p>B.11 Good management skills</p>

Application for Shadow Board Trustee's of MonLife

Last name	First name(s)
Address	Home telephone number
	Business number
	Mobile number
Postcode	Email address
Statement in Support of Application	
With reference to the documentation provided in the application pack please provide details of the experience, skills and personal qualities that support your application.	

Please state why you have applied for the position of Trustee and what contribution / specific skills and experience you would expect to make to MonLife.

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Please provide details of any other business interests, membership of organisations, or commitments to public duties.

<i>Organisation</i>	<i>Role</i>	<i>Term (Years)</i>	<i>Start Date</i>	<i>End Date</i>

References

Name:	Name:
Job Title:	Job Title:
Address:	Address:
Email Address:	Email Address:
Daytime Telephone Number:	Daytime Telephone Number:
In what capacity does this person know you?	In what capacity does this person know you?

DECLARATION OF ELIGIBILITY FOR TRUSTEE

Declaration:

I declare that I am not disqualified from acting as a charity trustee and that:

- I am aged 18 years and over at the date of appointment;
- I am capable of managing and administering my own affairs;
- I do not have an unspent conviction relating to any offence involving deception or dishonesty;
- I am not an undischarged bankrupt nor have I made a composition or arrangement with, or granted a trust deed for, my creditors (ignore if discharged from such an arrangement);
- I am not subject to a disqualification order under the Company Directors Disqualifications Act 1986 or to an Order made under section 429(b) or the Insolvency Act 1986;
- I have not been removed from the office of charity trustee for a charity by an Order made by the Charity Commission or the High Court on the grounds of any misconduct or mismanagement;
- I am not subject to a disqualification Order under the Criminal Justice and Court Services Act 2000;
- I am not disqualified under the Vetting and Debarring Scheme (DBS).

Signed _____ Date _____

Print Name: _____

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INTERIM ROLE PROFILE

ROLE TITLE:	Interim Strategic Lead
GRADE:	Continuation of role – internal secondment
HOURS:	37 hours Per Week
LOCATION:	Venue as determined appropriate for service needs and to support the interim process of setting up the new entity.
RESPONSIBLE TO:	Chief Officer Enterprise – Chair Draft Shadow Board

The Purpose of this Role:

To ensure that strategic direction and necessary set-up of alternative deliver model progresses and closely follows the key milestones of the project timeline. Ensure the various work programmes are coordinated and the overall project is managed. The role will be responsible for working with the shadow board and MCC lead team in developing structures, policies and procedures.

To oversee the ADM perspective in transition stage and to prepare for the necessary foundations to be in place as work is undertaken to enact the new vehicle.

Responsibilities:-

- To coordinate and manage the interim team during the transition period and to oversee the overall strategic direction of the new entity.
- To ensure that correct governing policies and procedures are in place to enable the recruitment of the Shadow Board and that effective support can be given during the transition period.
- To ensure as strategic lead the shadow board is recruited with correct balance and skills; Advertising and recruitment of members.
- To work with MCC lead, interim ADM team lead and MCC colleagues during the transition phase ensuring current workforce is supported during the transition to the new entity and continue to create a motivated, highly skilled and high-performing workforce that embraces the culture in line with new entities vision, mission and values.
- To work with the shadow board and provide advice and guidance on operational delivery, organisational growth and strategic developments.
- To work to ensure the business plans and resources are in line with MTFP and in agreement with shadow board/MCC.
- To work with the MCC Client Lead to ensure that strategic direction and necessary set-up of alternative deliver model progresses and closely follows the key milestones of the project timeline.



INTERIM ROLE PROFILE

ROLE TITLE:	Interim Finance Lead
GRADE:	Continuation of role – internal secondment
HOURS:	37 hours Per Week
LOCATION:	Venue as determined appropriate for service needs and to support the interim process of setting up the new entity.
RESPONSIBLE TO:	Interim Strategic Lead for ADM

The Purpose of this Role:

To continue to ensure effective strategic and operational financial planning, monitoring and reporting to ensure the new entity will comply with all statutory and external requirements and regulations.

Responsibilities:-

- To support the Strategic Lead and interim team during the transition period and to contribute to the overall strategic direction of the new entity.
- To continue to take the lead on financial accounting and reporting of the services for the new entity.
- To continue to devise and maintain financial systems, procedures and internal controls.
- To continue to ensure that the new entity will meet full compliance with charity law, statutory and fiscal reporting and other applicable legislation.
- To ensure all plans are up to date and current with resources meeting the expectations of the MTFP.
- To seek expert advice from VAT and Audit colleagues to ensure compliance with financial regulations.
- To ensure all projects and income pipelines are robust and are scrutinised for optimum outputs in the new entity.
- To continue to support the interim MCC and ADM teams to ensure the Heads of Terms agreement is robust and is inclusive of key aspects and identifies delegated responsibilities to both the Council and new entity.
- Continue to contribute to the strategic planning and financial management of the new entity.



INTERIM ROLE PROFILE

ROLE TITLE:	Interim Governance and Engagement Lead
GRADE:	Continuation of role – internal secondment
HOURS:	37 hours Per Week
LOCATION:	Venue as determined appropriate for service needs and to support the interim process of setting up the new entity.
RESPONSIBLE TO:	Interim Strategic Lead for ADM

The Purpose of this Role:

To ensure that systems and procedures are in place to ensure effective governance of the new entity and to support the Strategic Lead in the recruitment and interim responsibilities of the Shadow Board.

To continue to prepare and develop frameworks and support structures that will support workforce and stakeholder engagement, workforce wellbeing and culture change.

Responsibilities:-

- To support the Strategic Lead and interim team during the transition period and to contribute to the overall strategic direction of the new entity.
- To ensure that correct governing policies and procedures are in place to enable the recruitment of the Shadow Board and that effective support can be given during the transition period.
- To work closely with the Interim Strategic Lead to ensure effective recruitment of the Shadow Board including Skills Matrix; Advertising and recruitment of Shadow Board Members.
- To set up meetings for the Shadow Board and maintain minutes of meetings accordingly.
- To continue to prepare and agree Service Level Agreement with school / leisure sites.
- To continue to drive the Project Plan with the interim team leads and ensure all milestones are met accordingly.
- Continuously develop engaging approaches and methodologies to ensure the current workforce is supported during the transition to the new entity and continue to create a motivated, highly skilled and high-performing workforce that embraces the culture in line with new entities vision, mission and values.
- To ensure Members, stakeholders and key partners are kept informed during the transition period and where appropriate hold awareness sessions in relation to the new entity around the County.
- Ensure that the workforce are aware of the organisations policy on Safeguarding, Equalities and Welsh Language and that all policies and practices are in line with MCC.
- Coordinate and lead a robust Volunteer programme to support services and activities provided by TLCY.



INTERIM ROLE PROFILE

ROLE TITLE:	HR Lead
GRADE:	Continuation of role – internal secondment
HOURS:	30 hours Per Week
LOCATION:	Venue as determined appropriate for service needs and to support the interim process of setting up the new entity.
RESPONSIBLE TO:	Interim Strategic Lead for ADM

The Purpose of this Role:

To continue to ensure systems, procedures and policies are in place to enable the smooth transition for staff from MCC to the new entity.

To continue to give expert advice on HR related issues in readiness for the transfer of workforce from one entity to another.

Responsibilities:-

- To support the Strategic Lead and interim team during the transition period and to contribute to the overall strategic direction of the new entity.
- To ensure that the interim leads are aware of any processes that require undertaking to ensure smooth and transparent transition for all staff in scope.
- To continue to cleanse all staffing databases and ensure that data is current and correct in preparation for TUPE transfer.
- To work with and support the Engagement lead in ensuring that the workforce is prepared and has opportunity to raise queries around the impending TUPE process.
- To ensure staff are kept up to date with progress in relation to staffing matters and a monthly newsletter is sent out to all staff.
- To ensure all staff in scope are aware of TUPE process and have the opportunity to receive individual support for this process.
- To agree communication and relevant roles between project HR, transferor HR and transferee HR.
- To support the Finance and Engagement Leads to ensure that correct and relevant advice is sought on pensions and actuarial information.
- To ensure that key partners including Union representatives are engaged throughout the transition process and updated with current progress.
- To work towards and agree a date for final information / data to be provided to the transferee, ie updated personnel details etc. (usually provided 6 weeks prior to transfer).
- To liaise with the MCC Client Officer and central HR to ensure transparency of key aspects of the transfer and ensure TUPE regulations are upheld.



INTERIM ROLE PROFILE

ROLE TITLE:	Performance, Evaluation and Programme Development Lead
GRADE:	Continuation of role – internal secondment
HOURS:	18.5 hours Per Week
LOCATION:	Venue as determined appropriate for service needs and to support the interim process of setting up the new entity.
RESPONSIBLE TO:	Interim Strategic Lead for ADM

The Purpose of this Role:

To continue to ensure an effective and robust Outcomes Framework is in place to monitor and evaluate key areas of work within TLCY.

To continue to support and lead the Learning and Funding working groups to ensure TLCY services are maximising opportunities, reducing duplication and engaging projects on a lateral basis that will benefit the wider community.

Responsibilities:-

- To support the Strategic Lead and interim team during the transition period and to contribute to the overall strategic direction of the new entity.
- To continue to support the development and implementation of a robust Outcomes Framework model for TLCY services that will be transferred across to the new entity.
- To support and monitor progress of the Learning group and ensure that activities are met and services are embedding new practice across TLCY.
- To support and monitor progress of the Grant and Funding group and ensure opportunities are being maximised across TLCY services with the intention to identify and map a range of prospective funding opportunities for the new entity.
- To continue to review the current social media and digital marketing strands of TLCY services, and identify opportunities and new ways of promoting the service for the new entity.
- To continue to review marketing audits at all facilities to review and develop current marketing and publicity materials ensuring consistency and arrange initial workshops.



INTERIM ROLE PROFILE

ROLE TITLE:	Interim Systems, Procedures and Data Readiness Lead
GRADE:	Continuation of role – internal secondment
HOURS:	18.5 hours Per Week
LOCATION:	Venue as determined appropriate for service needs and to support the interim process of setting up the new entity.
RESPONSIBLE TO:	Interim Strategic Lead for ADM

The Purpose of this Role:

To continue to ensure effective monitoring and evaluation of key systems and procedures to capture continuous improvements and key data.

To support, prepare and develop clear marketing strategies that will capture a commercial focus for the new entity and maximise social media streaming.

Responsibilities:-

- To support the Strategic Lead and interim team during the transition period and to contribute to the overall strategic direction of the new entity.
- To continue to monitor and evaluate key systems to ensure robustness to capture continuous improvements of services within TLCY.
- To continue to review and to contribute to the setting of policies, procedures and processes relating to the service activities and synergies, taking into account the views of our stakeholders.
- To continue to manage the collation, analysis, interpretation, processing and presentation of a range of information or data as required.
- To continue to maintain systems, upgrading of existing facilities and/or further developments or investment at sites to ensure the new entity is data rich.
- To continue to develop and maximise services social media and digital presence including supporting the development of a marketing strategy and commercial focus to drive the teams.
- To continue to develop and deliver business and project plans for specific areas of services delivery in line with current core purposes.
- To continue to ensure that all services are actively engaging with, and that all data held is GDPR compliant.

SUBJECT:	PARK STREET SCHOOL, ABERGAVENNY - PROPOSED LEASE
MEETING:	CABINET
DATE:	6th June 2018
DIVISION/WARDS AFFECTED:	Grofield, Abergavenny

NON PUBLICATION:

This report is not exempt from publication however Appendix 1 of the report is exempt by virtue of Part 4 of Schedule 12A of the Local Government Act 1972. It is excluded on the basis that it (a) contains information relating to an individual, (b) contains information that will reveal the identity of an individual and (c) contains information relating to the financial or business affairs of any particular person (including but not limited to the authority holding that information).

1. PURPOSE:

To consider the granting of a 25 year Lease to Abergavenny Community Trust (ACT) who deliver a community hub service from the former Park Street School.

2. RECOMMENDATIONS:

- 2.1 To grant a 25 year lease of the former Park Street school to Abergavenny Community Trust.
- 2.2 To grant a 3 year lease on the former Park Street school car park to Abergavenny Community Trust.
- 2.3 Delegate authority to the Head of Commercial and Integrated Landlord Services to agree lease terms.

3. KEY ISSUES:

- 3.1 Cabinet agreed to lease the former parks Street School in July 2012 following a local campaign to protect the building from development and instead utilise it as a community resource to be managed by local volunteers. The Abergavenny Community Trust was created to manage this building and they started operation in March 2015.
- 3.2 The original vision of ACT was to secure a 3 year lease and use this as a platform to generate longer term funding through a blend of commercial income, grant and philanthropic funding streams. The original agreement contained a clause that in the event that the trust was able to secure £230,000 a 25 year lease would automatically be entered into. Due to a variety of factors, this target has not been met, however ACT remain committed to the delivery of community provision within this centre and have requested

that a 25 year lease be granted to broaden their opportunities for grant funding and secure the long term future of this provision.

- 3.3 In the last three years ACT have worked with their local communities and stakeholders to ascertain local needs and how they could support these. As a result they have focussed primarily on the provision of activities that tackle social isolation and exclusion through the provision of food related activities, Through the provision of circa £20,000 in donations and grants they have developed a community kitchen, run a Monday café in partnership with the Food Bank, run conversation cafes for Syrian refugees to support their English language skills, have a growing space supported by Incredible Edibles and host Christmas lunches and world bistro evenings.
- 3.4 The community centre has become a meeting venue for over 31 clubs, has created 5 part time paid roles, has 30 volunteers and generated £133,000 income over the 3 year period. This organisation and the service it provides fully aligns with the Council’s aspiration to develop sustainable and resilient communities and the Council’s Social Justice Strategy.
- 3.5 It is proposed that the car park is offered on a short term lease to enable ACT to realise their ambitions to secure grant funding, improve the building and the services it offers and secure the long term viability of the Trust. In the event that they are unable to lever in the funding within the 3 year time frame it would enable the Council to realise the development potential from this element of the site and the resultant capital receipt, which would be ring fenced to the Councils 21st century schools agenda.

4. OPTION APPRAISALS:

Option	Benefits	Risks	Comments
Do not renew the lease	<ul style="list-style-type: none"> The Council would be able to realise a receipt from the sale of the site in excess of £400k 	<ul style="list-style-type: none"> ACT would have to secure alternative premises or the services would be lost. The community would lose a valuable local resource and access for vulnerable people would be more difficult Loss of potential grant funding to improve the built environment and local community infrastructure 	Whilst this would enable the Council to generate a capital receipt it discounts the social and financial value that ACT are providing to their local community and offsetting potential resources that the Council would need to provide to offset the lost services.
Grant a short term lease	<ul style="list-style-type: none"> The Council would be able to ascertain the long term prospects of ACT within a shorter time scale and if not viable realise a capital receipt. It provides a prescribed timescale for ACT to develop a viable business 	<ul style="list-style-type: none"> ACT are unlikely to be able to access grant funding without long term security of tenure ACT and their volunteers will lose motivation due to long term uncertainty 	This does not progress the ACT interest beyond 3 years and places them in the same situation as now where their future remains uncertain and is subject to external influences and decision making

Option	Benefits	Risks	Comments
	plan without committing them to long term liabilities		
Grant a 25 year lease	<ul style="list-style-type: none"> • ACT will be in a position to secure grant funding which will improve a council asset • ACT will be able to provide services which offset the need for Council interventions and expenditure • ACT aligns with the Corporate vision and is supporting and developing local communities • The lease will allow for 3 yearly Rent Reviews • The Council have a right of pre-emption if the premises are no longer used for Community Benefit or ACT fall away 	<ul style="list-style-type: none"> • ACT are unable to secure grant funding and are therefore faced with liabilities that exceed income over a 25 year period. • ACT loses its volunteer base and is unable to sustain service provision for the 25 year timeframe • The costs of operating and maintaining the building are in excess of trading income. 	ACT have made reasonable progress in its first 3 years of operation and have improved income year on year. They have cited the lack of a long term interest as a significant barrier to securing grant income which will safeguard the future of the building and the services that they provide. The long term social value and cost avoidance to the Council make this the preferred option.

5. EVALUATION CRITERIA:

An evaluation assessment has been included at Appendix A for future evaluation of Whether the decision has been successfully implemented. This decision will come Back to this Committee in 12 months for review

6. REASONS

- 6.1 The existing short term lease is preventing ACT from being able to secure grant funding or develop a long term business plan. The services being provided are in accord with both the Public Service Board and the Corporate Plan objectives.
- 6.2 ACT have identified that circa £200,000 is required over a 3 year period to carry out further repairs to the flat roof, remodel the entrance for improved disabled access, upgrade disabled toilets and to drop the ceiling in the Main Hall to install a digital hearing loop, sound system and projector system. These works will improve the physical environment, make it accessible for all and increase the revenue generation opportunities. ACT are intending to apply for funding from Big Lottery Wales People & Places Programme, to invest in building improvements and energy efficiency to reduce outgoings.

6.3 Initial discussions have been undertaken to ascertain the possibility of ACT undertaking a community asset transfer of the school. As the Trust is still in its infancy stage and needs to secure long term funding strategies to enable the operation of such a significant property asset, this has been discounted. This will be kept under review as the Trust evolves.

7. RESOURCE IMPLICATIONS:

7.1 The grant of a long term lease on the school building would generate an annual rental income of £9,250 (assuming a concessionary rental grant is not awarded), however it prevents the freehold disposal of the asset and there is an opportunity cost of circa £300,000.

7.2 The grant of a 3 year lease of the car park will generate an annual rental of £1,200 (assuming a concessionary rental grant is not awarded). There is however an opportunity cost of circa £100,000.

8. WELL BEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING)

Attached

9. CONSULTEES:

Local Ward Member – Cllr. Sheila Woodhouse

Local Ward Member – Cllr. Sara Jones

Cabinet Member – Cllr. Phil Murphy

Monitoring Officer – Robert Tranter

Legal Services – Joanne Chase

Head of Commercial & Integrated Landlord Services – Debra Hill-Howells

10. BACKGROUND PAPERS:

Appendix 1 - **Exempt from Publication**

ACT Revised Business Plan & Account Statements.

Appendix 2 - Site Plan – Former Park School Outlined in Red. Car Park Outlined in Blue

11. AUTHOR:

Nicola Howells – Estates Surveyor Monmouthshire County Council

12. CONTACT DETAILS:

Tel: 01633 748338

E-mail: nicolahowells@monmouthshire.gov.uk

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monmouthshire
sir fynwy

**SCHEDULE 12A LOCAL GOVERNMENT ACT 1972
EXEMPTION FROM DISCLOSURE OF DOCUMENTS**

MEETING AND DATE OF MEETING: Cabinet Meeting 6 June 2018

TITLE OF REPORT: Proposed Lease of Former Park St School, Abergavenny.

REPORT AUTHOR: Nicola Howells

I have considered grounds for exemption of information contained in the report referred to above and make the following recommendation to the Proper Officer:-

EXEMPTIONS APPLYING TO THE REPORT:

Exemption of the Appendix - ACT Business Plan.

FACTORS IN FAVOUR OF DISCLOSURE:

Transparency and appropriate scrutiny of the work carried out by the Council in the course of its management of public assets.

PREJUDICE WHICH WOULD RESULT IF THE INFORMATION WERE DISCLOSED:

This report is intended to be classed as exempt under Schedule 12A of the Local Government Act 1972 on the grounds that it reveals information in relation to the business and financial affairs of a particular person (inc the Local Authority holding that information).

MY VIEW ON THE PUBLIC INTEREST TEST IS AS FOLLOWS:

The factors in favour of non-disclosure outweigh the factors in favour of disclosure

RECOMMENDED DECISION ON EXEMPTION FROM DISCLOSURE:

Non-disclosure

Date: 25.05.2018

Signed: 

Name & Post: Nicola Howells MRICS - Estates Surveyor, Estates Department

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By virtue of paragraph(s) 12 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Park Street School, Abergavenny



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County Hall
Cwmbran
NP44 2XH

www.monmouthshire.gov.uk/mccoc



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Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Title of Report:	Lease of Former Park School
Date decision was made:	
Report Author:	Nicola Howells

What will happen as a result of this decision being approved by Cabinet or Council?

What is the desired outcome of the decision? 25 Year Lease to Abergavenny Community Trust
What effect will the decision have on the public? More facilities for public as set in Business Plan by Group

12 month appraisal

Was the desired outcome achieved? What has changed as a result of the decision? Have things improved overall as a result of the decision being taken?

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?

Has the 25 yr lease enabled further Grant Funding to improve the Building as proposed.
Has there been an increase in the number of users/groups.

12 month appraisal

Paint a picture of what has happened since the decision was implemented. Give an overview of how you fared against the criteria. What worked well, what didn't work well. The reasons why you might not have achieved the desired level of outcome. Detail the positive outcomes as a direct result of the decision. If something didn't work, why didn't it work and how has that effected implementation.

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

Give an overview of the planned costs associated with the project, which should already be included in the report, so that once the evaluation is completed there is a quick overview of whether it was delivered on budget or if the desired level of savings was achieved. **No Associated Costs**

12 month appraisal

Give an overview of whether the decision was implemented within the budget set out in the report or whether the desired amount of savings was realised. If not, give a brief overview of the reasons why and what the actual costs/savings were.

Any other comments

SUBJECT:	Kerbcraft Update and Independent Report Feedback
MEETING:	Cabinet
DATE:	7th June 2018
DIVISION/WARDS AFFECTED:	all

NON-PUBLICATION

There is a report on the independent investigation that is considered exempt (i.e. non publication) by virtue of **Local Government Act, Schedule 12A, Part 4 APPENDIX 1;**

Paragraph 12: Information relating to a particular individual

Paragraph 15: Information relating to any consultation or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

PURPOSE:

This report provides an update on the performance of the kerbcraft scheme as required in the action plan adopted by Council on the 20th March 2017. It also summarises the findings of an independent report commissioned into the findings of the WAO report into the kerbcraft scheme reported to Council on the 20th March 2017.

1. RECOMMENDATIONS:

- 1.1 That Cabinet receive the latest performance report (as previously submitted to CYP select committee on the 17th May 2018) and confirm that future performance reports be presented solely to CYP select committee.
- 1.2 That members receive a confidential summary of the independent report into various aspects of the WAO investigation into kerbcraft (reported to Council in March 2017) and the recommendations arising from the independent investigation.

2. KEY ISSUES:

- 2.1 Members will be familiar with the WAO report into the provision of the kerbcraft service by Monmouthshire County Council on behalf of Welsh Government.
Below is a link to the report presented by WAO to Council on the 20th March 2017 along with the action plan adopted by Council at that time.

<file:///C:/Users/Hoggins.r/Downloads/Wales%20Audit%20Office%20Report%20on%20Safeguarding%20within%20the%20Kerbcraft%20Scheme%20in%20Monmouthshire%20County%20Council.pdf>

- 2.2 The action plan required the authority to review its procedures, particularly in relation to record keeping and safeguarding, and to report every half year to cabinet, audit committee and CYP select committee on performance.
- 2.3 A further report was submitted to Cabinet on the 5th July 2017 to approve new procedures in accordance with the action plan.
- 2.4 Subsequently monitoring/performance reports have been submitted to Cabinet, Audit Committee and CYP Select Committee, the latest having been presented to CYP Select Committee on 17th May 2018. A link is provided below:
<file:///C:/Users/Hoggins.r/Downloads/Kerbcraft%20Update.pdf>
At the meeting on the 17th May CYP Select Committee, following the latest presentation of kerbcraft performance, resolved to receive future reports annually.
- 2.5 The fundamental issue of putting in place systems that offer assurance that the wellbeing (safeguarding) of children is satisfactorily managed has been addressed by the action plan and the various processes and procedures now adopted to provide the service.

3. OPTIONS APPRAISAL

- 4.1 This report offers Cabinet an update on the action plan adopted for the future delivery of kerbcraft. As such an option appraisal is not required.

4. EVALUATION CRITERIA

- 4.1 The report provides an update for Cabinet members on the provision of the kerbcraft scheme on the basis previously agreed in order that Cabinet may assess performance.

5. REASONS:

- 5.1 The action plan required ongoing performance reports so this report provides that information. However it is recommended that ongoing monitoring be provided by the CYP Select Committee. The CYP Select committee has agreed that future performance data be provided on an annual basis. Cabinet may then request any future reports should matters arise that suggest Cabinet intervention is again necessary.
- 5.2 A confidential report (not for publication) is being provided to Cabinet that summarises the findings of the independent report into kerbcraft commissioned subsequent to the adverse WAO report to Council in March 2017. The report is confidential because it makes reference to staffing matters that are yet to be resolved.

6. RESOURCE IMPLICATIONS:

None arising from this report.

7. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

Assessments were attached to the report to Cabinet on 5th July 2017, Link below:

[file:///C:/Users/Hoggins.r/Downloads/2d.%20FGEA%20-%20kerbcraft%20report%20-%20June17%20\(1\).pdf](file:///C:/Users/Hoggins.r/Downloads/2d.%20FGEA%20-%20kerbcraft%20report%20-%20June17%20(1).pdf)

8. CONSULTEES:

SLT
Cabinet

9. BACKGROUND PAPERS:

As referred to within the body of the report

10. AUTHOR: Roger Hoggins, Head of Operations

11. CONTACT DETAILS:

Tel: 01633 644133 or 07767 246138

E-mail: rogerhoggins@monmouthshire.gov.uk

**SCHEDULE 12A LOCAL GOVERNMENT ACT 1972
EXEMPTION FROM DISCLOSURE OF DOCUMENTS**

Meeting and Date of Meeting: Cabinet, 7th June 2018

Report: Kerbcraft Update and Independent Report Feedback

Author: Roger Hoggins, Head of Operations

I have considered grounds for exemption of information contained in the background paper for the report referred to above and make the following recommendation to the Proper Officer:-

Exemptions applying to the report:

There is a report on the independent investigation that is considered exempt (i.e. non publication) by virtue of Local Government Act, Schedule 12A, Part 4;

Paragraph 12: Information relating to a particular individual

Paragraph 15: Information relating to any consultation or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

Factors in favour of disclosure:

Openness & transparency in matters concerned with the public

Prejudice which would result if the information were disclosed:

The report discusses staffing and employment matters that may influence any action in relation to staffing and employment matters

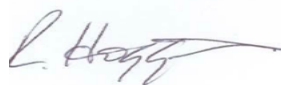
My view on the public interest test is as follows:

Factors in favour of disclosure are outweighed by those against.

Recommended decision on exemption from disclosure:

Maintain exemption from publication in relation to one part of the report

Date: 23rd May 2018



Signed:

Roger Hoggins

Post: Head of Operations

I accept/~~I do not accept~~ the recommendation made above

A handwritten signature in blue ink that reads "Paul Matthews". The signature is written in a cursive style with a large, sweeping initial 'P'.

Signed:
Paul Matthews, Chief Executive

Date: 29th May, 2018

Report Guideline for Officers

Key points to consider when writing a report for political decision /scrutiny.....	
Define the key issues of the report subject	<p><u>Consider:</u></p> <ul style="list-style-type: none"> - Any implications for budget arrangements - Any impact on other budgets e.g. schools' delegated or corporate budgets - Any legal implications for the authority / stakeholders - Any impact on other services/projects - positive or negative - Any impact on outcomes - staff; children and young people - Any impact on responsibilities and accountabilities – officer and Member - Any EQIA, sustainability or Safeguarding implications - Any implications on risks or risk management
Clarify the purpose of the report	<p><u>Consider:</u></p> <ul style="list-style-type: none"> - Whether the report is for information or a decision - The key issues that those receiving the report need to know - Whether the report needs to make any clear recommendations
Decide the significance of the report	<p><u>Consider:</u></p> <ul style="list-style-type: none"> - Whether the implications are significant or straight forward - Whether the report changes the priorities, policies, strategic direction of the council - Whether the report is contentious or political
Identify who needs to be consulted / engaged ahead of drafting the report	<p><u>Consider:</u></p> <ul style="list-style-type: none"> - The level of senior manager input that is needed early on i.e. head of service; DMT; SLT - How soon the Cabinet member should be informed - Whether the report could benefit from early scrutiny input - Who this will impact on and when they should be consulted i.e. any particular staff, individuals or groups - Whether there are there any other key stakeholders to be engaged in advance of drafting the report - Who may need to be consulted at a later stage e.g. unions...
Clarify the appropriate reporting channels	<p><u>Consider:</u></p> <ul style="list-style-type: none"> - Whether the report needs to go to senior managers for information / input or approval? - Whether the report requires scrutiny - If a decision is needed, the appropriate level of member accountability i.e. Single Member decision, Cabinet decision or Council decision
Anticipate realistic timescales	<p><u>Consider:</u></p> <ul style="list-style-type: none"> - How long it will take to consult and engage all stakeholders - How long it will take to get all the necessary information together - How long it will take to get line manager / DMT / SMT / SLT approval - The likelihood of any referral work out of DMT / SMT / SLT - The timescales for channelling the report through the appropriate reporting cycles (management and political) - When the work should commence (based on these reporting cycles)

Determine the best way to present the information

Consider:

- The audience receiving the report and the likely level of familiarity and understanding of the issues
- Whether the information of the report is simple, complex or complicated
- Whether everyday use of jargon needs to be avoided
- Whether large amounts of information and / or data need to be covered
- Whether a large number of views need to be reflected
- How best to cover the key / targeted points of the report with brevity, focus and sharpness / avoiding unnecessary and superfluous information i.e. to ensure the report is read and understood

By virtue of paragraph(s) 12, 15 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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