

Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga

Dydd Gwener, 19 Ionawr 2018

Dear Cynghorwyr,

CABINET

Gofynnir i chi fynychu cyfarfod **Cabinet** a gynhelir yn **Conference Room, County Hall, Usk** ar **Dydd Llun, 29ain Ionawr, 2018**, am **2.00 pm**.

AGENDA

1. Ymddiheuriadau am absenoldeb
2. Datganiadau o Fuddiant
3. I ystyried yr adroddiadau canlynol (copdau ynghlwm):

i. **Cynllun Corfforaethol: 22 am 22**

1 - 54

Adran/Wardiau sy'n cael eu Heffeithio: Pob un

Diben: I geisio cymeradwyaeth am y Cynllun Corfforaethol sy'n mynegi diben a gwerthoedd yr awdurdod yn ogystal â'r rhaglen uchelgeisiol bydd yn cael ei blaenoriaethu dros y pedair blynedd nesaf.

Awdur: Kellie Beirne, Dirprwy Brif Swyddog Gweithredol

Manylion Cyswllt: kelliebeirne@monmouthshire.gov.uk

ii. **Model Darpariaeth Amgen**

55 - 318

Adran/Wardiau sy'n cael eu Heffeithio: Pob Ward

Diben: I nodi'r canlyniadau a'r argymhellion yn yr asesiad opsiynau cynhwysfawr a'r Achos Busnes Llawn bydd yn siapio darpariaeth gwasanaethau Twristiaeth, Hamdden, Diwylliant ac Ieuencid (TLCY) cynaliadwy yn y dyfodol.

Awdur: Kellie Beirne, Dirprwy Brif Weithredwr
Peter Davies, Prif Swyddog Adnoddau

Manylion Cyswllt: kelliebeirne@monmouthshire.gov.uk
peterdavies@monmouthshire.gov.uk

Yours sincerely,

Paul Matthews
Chief Executive

PORTFFOLIOS CABINET

Cynghorydd Sir	Maes Cyfrifoldeb	Gwaith Partneriaeth ac Allanol	Ward
P.A. Fox (Arweinydd)	Strategaeth a Chyfeiriad Awdurdod Cyfan CCR Cyd Gabinet a Datblygu Rhanbarthol; Trosolwg Sefydliad; Gweithio Rhanbarthol; Cysylltiadau Llywodraeth; Bwrdd Gwasanaethau Cyhoeddus; WLGA	Cyngor WLGA WLGA Bwrdd Cydlynu Gwasanaethau Cyhoeddus	Porthysgewin
R.J.W. Greenland (Dirprwy Arweinydd)	Menter Cynllunio Defnydd Tir; Datblygu Economaidd; Twristiaeth; Rheoli Datblygu; Rheoli Adeiladu; Tai a Digartrefedd; Hamdden; Ieuencid; Addysg Oedolion; Addysg Awyr Agored; Hybiau Cymunedol; Gwasanaethau Diwylliannol	Cyngor WLGA Twristiaeth Rhanbarth y Brifddinas	Devauden
P. Jordan	Llywodraethiant Cefnogaeth y Cyngor a Phenderfyniadau Gweithrediaeth; Craffu; Safonau Pwyllgor Rheoleiddiol; Llywodraethiant Cymunedol; Cefnogaeth Aelodaeth; Etholiadau; Hyrwyddo Democratiaeth ac Ymgysylltu: Y Gyfraith; Moeseg a Safonau; Perfformiad Awdurdod Cyfan; Cynllunio a Gwerthuso Gwasanaeth Awdurdod Cyfan; Cydlynu Corff Rheoleiddiol		Cantref
R. John	Plant a Phobl Ifanc Safonau Ysgolion; Gwella Ysgolion; Llywodraethiant Ysgolion; Trosolwg EAS; Blynyddoedd Cynnar; Anghenion Dysgu Ychwanegol; Cynhwysiant; Cwricwlwm Estynedig; Derbyniadau; Dalgylchoedd; Cynnig Ôl-16; Cydlynu gyda Choleg Gwent.	Cyd Grŵp Addysg (EAS) CBAC	Llanfihangel Troddi
P. Jones	Gofal Cymdeithasol, Diogelu ac Iechyd Plant; Oedolion; Maethu a Mabwysiadu; Gwasanaeth Troseddu Ieuencid; Cefnogi Pobl; Diogelu Awdurdod Cyfan (Plant ac Oedolion); Anableddau; Iechyd Meddwl; Iechyd Cyhoeddus; Cydlynu Iechyd.		Rhaglan
P. Murphy	Adnoddau Cyllid; Technoleg Gwybodaeth (SRS); Adnoddau Dynol; Hyfforddiant; Iechyd a Diogelwch; Cynllunio Argyfwng; Caffaeliad; Archwilio; Tir ac Adeiladau (yn cynnwys Stadau, Mynwentydd, Rhandiroedd, Ffermydd); Cynnal a Chadw Eiddo; Swyddfa Ddigidol; Swyddfa Fasnachol	Consortium Prynu Prosiect Gwyrdd Cymru	Caerwent

S.B. Jones	Gweithrediadau Sir Cynnal a Chadw Priffyrdd, Rheoli Trafnidiaeth, Traffig a Rhwydwaith, Rheolaeth Stad; Gwastraff yn cynnwys Ailgylchu; Cyfleusterau Cyhoeddus; Meysydd Parcio; Parciau a Gofodau Agored; Glanhau; Cefn Gwlad; Tirluniau a Bioamrywiaeth; Risg Llifogydd.	SEWTA Prosiect Gwyrdd	Goetre Fawr
S. Jones	Cyfiawnder Cymdeithasol a Datblygu Cymunedol Ymgysylltu â'r Gymuned; Amddifadedd ar Arwahanrwydd; Diogelwch y Gymuned; Cydlyniaeth Gymdeithasol; Tlodi; Cydraddoldeb; Amrywiaeth; Y Gymraeg; Cysylltiadau Cyhoeddus; Safonau Masnach; Iechyd yr Amgylchedd; Trwyddedu; Cyfathrebu		Llanofar

Nodau a Gwerthoedd Cyngor Sir Fynwy

Ein diben

Adeiladu Cymunedau Cynaliadwy a Chydnerth

Amcanion y gweithiwn tuag atynt

- Rhoi'r dechrau gorau posibl mewn bywyd i bobl
- Sir lewyrchus a chysylltiedig
- Cynyddu i'r eithaf botensial yr amgylchedd naturiol ac adeiledig
- Llesiant gydol oes
- Cyngor gyda ffocws ar y dyfodol

Ein Gwerthoedd

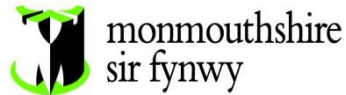
Bod yn agored. Rydym yn agored ac yn onest. Mae pobl yn cael cyfle i gymryd rhan mewn penderfyniadau sy'n effeithio arnynt, dweud beth sy'n bwysig iddynt a gwneud pethau drostynt eu hunain/eu cymunedau. Os na allwn wneud rhywbeth i helpu, byddwn yn dweud hynny; os bydd yn cymryd peth amser i gael yr ateb, byddwn yn esbonio pam; os na allwn ateb yn syth, byddwn yn ceisio eich cysylltu gyda'r bobl a all helpu - mae adeiladu ymddiriedaeth ac ymgysylltu yn sylfaen allweddol.

Tegwch. Darparwn gyfleoedd teg, i helpu pobl a chymunedau i ffynnu. Os nad yw rhywbeth yn ymddangos yn deg, byddwn yn gwrando ac yn esbonio pam. Byddwn bob amser yn ceisio trin pawb yn deg ac yn gyson. Ni allwn wneud pawb yn hapus bob amser, ond byddwn yn ymrwmo i wrando ac esbonio pam y gwnaethom weithredu fel y gwnaethom.

Hyblygrwydd. Byddwn yn parhau i newid a bod yn hyblyg i alluogi cyflwyno'r gwasanaethau mwyaf effeithlon ac effeithiol. Mae hyn yn golygu ymrwymiad gwirioneddol i weithio gyda phawb i groesawu ffyrdd newydd o weithio.

Gwaith Tîm. Byddwn yn gweithio gyda chi a'n partneriaid i gefnogi ac ysbrydoli pawb i gymryd rhan fel y gallwn gyflawni pethau gwych gyda'n gilydd. Nid ydym yn gweld ein hunain fel 'trefnwyr' neu ddatrysyr problemau, ond gwnawn y gorau o syniadau, asedau ac adnoddau sydd ar gael i wneud yn siŵr ein bod yn gwneud y pethau sy'n cael yr effaith mwyaf cadarnhaol ar ein pobl a lleoedd.

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SUBJECT:	Corporate Plan: A Monmouthshire that Works for Everyone
MEETING:	CABINET
DATE:	29 January 2018
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

- 1.1 To seek endorsement of the Corporate Plan articulating the authority's purpose and values alongside the ambitious programme that will be prioritised over the next four years.

2. RECOMMENDATIONS:

- 2.1 That Cabinet endorse the Corporate Plan prior to its approval by Council.
- 2.2 That Cabinet endorse the adoption of the objectives contained in the plan as the Council's Well-being Objectives in accordance with the requirements of the Well-being of Future Generations Act.

3. KEY ISSUES:

- 3.1 The first year of a political term presents an opportunity to take stock, to review and evaluate and to look ahead and set an agenda that will deliver for the residents and communities of Monmouthshire.
- 3.2 In October 2017 Cabinet commissioned the development of a Corporate Plan which converts high-level political ambition into a tight and understandable whole authority strategic plan which programmes the associated delivery work over the medium-term.
- 3.3 This means re-setting priorities and re-shaping direction around the agreed purpose of building sustainable and resilient communities. The Plan:
 - Draws on the political priorities articulated in the local conservative manifesto and emerging cabinet member priorities, challenges highlighted in the Well-being Assessment, some of the high-level challenges emanating from Future Monmouthshire, issues identified

through data and financial analysis and issues raised ‘on the doorstep’ during the May election.

- Brings together ambition and direction, alongside a clear assessment of the investment needed to deliver. Once the budget is finalised the Medium Term Financial Plan will be contained within the Corporate Plan demonstrating that money follows purpose.
- Provides a context and direction for the revision of our key enabling strategies and plans – i.e. People and Customer, Digital and Technology, Enterprise and Economic Development and Commercial and Assets.
- Ensures that clear criteria are set to allow strategies to be evaluated and ensure public accountability and organisational learning.

3.4 The Corporate Plan re-states the council’s purpose of building sustainable and resilient communities and outlines five priority goals or objectives. Under each of these sits a number of programmes of work, twenty-two in total, which the organisation will commit to between now and 2022. The five areas are: best possible start in life; thriving and connected communities; natural and built environment; lifelong well-being and future-focused council.

3.5 This plan will discharge the authority’s duty to produce Well-being Objectives and Statement and Improvement Objectives under the Well-being of Future Generations Act and Local Government (Wales) Measure 2009. It will give clarity on priorities and purpose ahead of the revision of the authority’s enabling strategies and provide clear directions to teams as they develop their service or business plans for 2018-19 onwards.

4. OPTIONS APPRAISAL

4.1 Every choice we make carries an opportunity cost. Each of the programmes of activity in this plan have been considered against the other choices that could have been made, how that money could be spend and the alternative uses of equipment or officer time. Some of these commitments – such as the building of new schools – have already been approved by council as part of an agreed policy position while others are in the early stages of development. Each new proposal brought forward to deliver against these goals will be subject to an individual decision in accordance with the council constitution.

5. EVALUATION CRITERIA

5.1 The Corporate Plan sets out clearly the council’s purpose. It contains five specific objectives which can be measured over time. These are: Best

Possible start in life; Thriving and well-connected county; Maximise the potential of the natural and built environment; Lifelong learning and well-being and forward looking-future focused council. These are clearly aligned to the purpose and well-being objectives of the Public Service Board. The measures relating to each of these are shown on pages 13 – 17 of the plan with baseline data contained in pages 32 – 33. This includes a mix of process, output and satisfaction measures. The council is at the outset of an ambitious programme and specific medium-term targets will be finalised as the detailed activities are developed in the coming months.

- 5.2 The actions to deliver the Corporate Plan will be embedded in the service or business plans of individual teams and progress can be tracked at this level through quarterly service updates on The Hub. Headline quantitative measures and progress updates will be reported bi-annually to the relevant Select Committee. A full evaluation of progress will be produced annually for scrutiny and will be reported to Cabinet.

6. REASONS:

- 6.1 There are significant challenges and opportunities that must be responded to and the Council, with its diminishing resources, must prioritise what can be done and the kind of a work that will make the most difference to our county.
- 6.2 To convert high-level political ambition, data, evidence and ‘what matters’ into a coherent whole authority strategic ‘Corporate Plan’. This will mean re-setting priorities and re-shaping direction to renew the sense of shared purpose.

7. RESOURCE IMPLICATIONS:

- 7.1 With less money, we will not be able to keep doing everything that we have done in the past. Each of the activities in the corporate plan carries resource implications. In its entirety the plan will be delivered within the resources made available through the Medium Term Financial Plan. Some programmes brought forward may require capital or reserve funding and individual and detailed proposals will be presented for each of these at the appropriate time in accordance with the council’s constitution.

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

- 8.1 The proposals make a contribution to safeguarding through ensuring a focus on fitness for purpose and have a clear direction about the things that matter.
- 8.2 A Future Generations Evaluation has been completed and accompanies this report. The Corporate Plan is built upon a number of design principles including being future-focused and applying the ways of working outlined in the Well-being of Future Generations Act. This includes taking a long-term view and developing preventative approaches. The Plan details a number of activities that require further development and which will be subject to individual decisions in accordance with the council's constitution including future generations evaluations where appropriate.

9. CONSULTEES:

Senior Leadership Team
Cabinet

The plan has been developed based on a strong evidence base which included extensive consultation. This included feedback from the doorstep gleaned by all members during the May 2017 local elections and the involvement of local people during the *Our Monmouthshire* engagement which informed the development of the well-being assessment. Individual Cabinet members worked alongside officers to shape the plan.

10. BACKGROUND PAPERS:

Monmouthshire Well-being Assessment

11. AUTHOR:

Kellie Beirne, Deputy CEO

12. CONTACT DETAILS:

Tel: (01633) 644686

E-mail: kelliebeirne@monmouthshire.gov.uk

Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Title of Report:	Corporate Plan
Date decision was made:	29 th January 2019
Report Author:	Kellie

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

The desired outcome is to provide clarity on the programmes of activity that the council will deliver over the medium term. This will facilitate the revision of enabling strategies ensuring alignment with the purpose of the council. The activities detailed within the plan will ensure the council makes progress towards the well-being objectives: Best Possible start in life; Thriving and well-connected county; Maximise the potential of the natural and built environment; Lifelong learning and well-being and Forward looking-future focused council.

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

The plan describes a clear purpose of building sustainable and resilient communities. Each of the four objectives is under-pinned by a series of performance measures which have a baseline to enable officers and members to track progress and determine the success of the plan. Over the first year of the plan clear targets will be developed which will can be used by Cabinet to assess progress and allow select committees to hold officers and the executive to account. These measures are shown on pages 32 and 33 of the plan. They will inform a broader annual evaluation of the Corporate Plan that will be presented to councillors in May / June each year.

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?

Each of the activities in the corporate plan carries resource implications. In its entirety the plan will be delivered within the resources made available through the Medium Term Financial Plan. At this stage there are no specific budget lines attached to actions. This will be established as individual programmes of work are developed and brought forward to members for decision.

Any other comments

Future Generations Evaluation

(includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation Matthew Gatehouse</p> <p>Phone no: 01633 644397 E-mail:</p>	<p>Please give a brief description of the aims of the proposal</p> <p>The development of a Corporate Plan which converts high-level political ambition into a tight and understandable whole authority strategic plan which programmes the associated delivery work over the medium-term.</p>
<p>Name of Service:</p> <p>All Services</p>	<p>Date Future Generations Evaluation form completed</p> <p>17/1/2018</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>The Corporate Plan sets out five clear objectives, each of which in some way contributes to this goal. However the greatest impact will be under the objective of develop opportunities for communities and businesses to ensure a well-connected and thriving county and Ensuring the best possible start in life.</p>	<p>More specific details regarding contributions to the wellbeing goals will come through subsequent Future Generations Evaluations as specific actions are developed under the objectives.</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>With the exception of Objective A all of the objectives contribute to a resilient Wales. The greatest impact will be under the objective to maximise the benefits of the natural and built environment for the well-being of current and future generations.</p> <p>Several projects are proposed that will reduce CO₂ emissions including piloting the use of hydrogen cars and the development of a solar farm.</p>	As above
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>All of the objectives, with the exception of future-focused council, contribute to a healthier Wales. The greatest impact will be under the objective to maximise the potential in our communities to improve well-being for people throughout their life course and give young people the best possible start in life.</p>	As above
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The objectives with the greatest impact on this national goal are: Maximising the potential in our communities to improve well-being for people throughout their life course; Maximising the benefits of the natural and built environment for the well-being of current and future generations and developing opportunities for communities and businesses to ensure a well-connected and thriving county.</p>	As above

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?
	There are a range of measures that are addressing social justice and equality of opportunity	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The objective with the greatest impact on this national goal is maximising the benefits of the natural and built environment for the well-being of current and future generations. This is best illustrated by reductions in CO ₂ emissions from programmes such as hydrogen cars and the solar farm have global as well as local benefits.	As above
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	The objectives with the greatest impact on this national goal will be: provide children and young people with the best possible start in life to help them achieve better outcomes and maximising the benefits of the natural and built environment for the well-being of current and future generations	As above
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The objectives with the greatest impact on this national goal will be: maximise the potential in our communities to improve well-being for people throughout their life course; maximise the benefits of the natural and built environment for the well-being of current and future generations and adapt and evolve culture, systems and processes to continually develop as a future-focused Council	As above

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>This timescale for this plan is medium term as it's aligned with the political cycle. The Objectives themselves are broader and take a much more long-term perspective supported by shorter-term objectives. The plan also seeks to embed design principles and ways of working that are focused on the long term.</p>	<p>Individual proposals in this document are indicative at this stage. New programmes will be expected to produce a future generations evaluation when they are brought to Cabinet or council for a decision.</p>
 <p>Working together with other partners to deliver objectives</p> <p>Collaboration</p>	<p>One of the key sources of evidence for this plan is the Public Service Board well-being assessment. The objectives are clearly aligned with the objectives shared by our public service partners in Monmouthshire and this plan acts as the council's response to achieving those collaborative objectives. Many of the individual actions will be developed with partners.</p>	<p>As above</p>
 <p>Involving those with an interest and seeking their views</p> <p>Involvement</p>	<p>The plan has been developed from an extensive evidence base including widespread consultation with residents of the county. In particular the Our Monmouthshire community engagement work carried out during 2016 (over 1400 people engaged with). A further source of evidence is the feedback received by county councilors about the issues of greatest importance to residents that were obtained during the 2017 election campaign. These are shown on pages 10 – 11 of the plan</p>	<p>As above</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>Prevention</p>	<p>The aim of each of the objectives is about taking action now in order to prevent problems in the future. For example, implementing a model of early support and intervention for children and families and promoting active lifestyles. We are also develop community capacity and volunteering now in order to prevent an overdependence on institutional care in the future with an ageing population.</p>	<p>As above</p>
 <p>Considering impact on all wellbeing goals together and on other bodies</p> <p>Integration</p>	<p>The objectives are all integrated, and each one can have positive and potentially negative impacts on another. It is important that as individual proposals are developed we seek to balance competing impacts, for example environmental schemes and more strategic use of section 106 funding can help mitigate the impact of new developments in the built environment on the natural environment. Page 35 of the plan contains a table which highlights which of the objectives impacts on each of the 7 national well-being goals. The Council will work together with other partners to help deliver many aspects of the Objectives.</p>	<p>As above</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	Councils provide many universal services such as highways and waste collections and the objectives aim to bring multiple benefits to all age groups, However many of our services are delivered to proportionately more younger and older people. The objectives - best possible start and lifelong well-being also focus particularly on the early years of life and on increasing wellbeing throughout people's lives and into their old age.	Each new proposal will need to be assessed individually to consider if it impacts disproportionately of any particular group, for example technology solutions could excluding some older people who are proportionately less likely to be early-adopters of new technology	
Disability	The Wellbeing Objectives aim to bring multiple benefits to everyone, but the objective on lifelong well-being is likely to particularly bring benefits to people who have disabilities and are less mobile as these are proportionately more likely to be users of Adult Social Services.	None identified at this stage	Any actions will be developed in response to specific proposals as these are brought forward.
Gender reassignment	<p>The Wellbeing Objectives aim to bring multiple benefits to everyone</p> <p>The plan proposes bringing forward programmes that promote diversity and inclusion</p>	None identified at this stage	None identified at this stage

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?
Marriage or civil partnership	The Wellbeing Objectives aim to bring multiple benefits to everyone	None identified at this stage	None identified at this stage
Pregnancy or maternity	<p>The Wellbeing Objectives aim to bring multiple benefits to everyone</p> <p>A specific example that is activity to reduce the gender pay-gap would have a proportionately more positive impact on women returning from maternity leave as these are one of the groups most likely to suffer negatively from wage differentials.</p>	None identified at this stage	None identified at this stage
Race	The Wellbeing Objectives aim to bring multiple benefits to everyone	None identified at this stage	None identified at this stage
Religion or Belief	The Wellbeing Objectives aim to bring multiple benefits to everyone	None identified at this stage	None identified at this stage
Sex	The Wellbeing Objectives aim to bring multiple benefits to everyone	None identified at this stage	None identified at this stage
Sexual Orientation	The Wellbeing Objectives aim to bring multiple benefits to everyone	None identified at this stage	

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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	The Wellbeing Objectives aim to bring multiple benefits to everyone	Increasing the use of technology and automation could result in the emergence of globally-developed solutions that are not immediately available in Welsh.	Early work with developers to mitigate this and seek to work regionally and nationally where possible to get benefits of scale.

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	<p>Early intervention and prevention approaches will reduce the number of young people at risk of harm</p> <p>Safeguarding is central to the authority's work and this is highlighted within the corporate plan</p>		
Corporate Parenting	Developing an increased number and range of local authority foster care placements will provide greater choice, enabling children to live closer to home and improve the stability of placements.		

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

The Public Service Board's (PSB) Well-being Assessment was produced following extensive engagement with contributions from more than 1,400 people and examination of a wide range of data and evidence about what works and future trends such as the changing nature of employment and the impact of environmental factors such as pollution. The data can be viewed at www.monmouthshire.gov.uk/our-monmouthshire.

These include but are not limited to: Proportion of people who report a sense of belonging to the local area; percentage of young people not in education, training or employment; average weekly earnings of people who live and work in Monmouthshire; gender pay gap; Number of affordable housing units built; proportion of premises with access to high speed broadband; CO₂ emissions;

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?

This is an evaluation of the process of producing the corporate plan rather than of each individual action. Many of the activities it proposed will require an individual evaluation to be completed.

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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
More detailed evaluations will be produced for specific proposals which require an individual decision in line with the council's constitution	Timescales will be different for each objective	Cabinet members are listed next to each objective.	

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:	This will be reviewed annually. The first annual report will be presented to Cabinet in May/June 2019.
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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	SLT / Cabinet - Informal	15 th December	

A Monmouthshire that works for everyone Corporate Business Plan 2017 // 2022



INCORPORATING WELL-BEING OBJECTIVES



Version Control

Title	Corporate Business Plan: A Monmouthshire that Works for Everyone
Purpose	To set out a clear direction for the Council and resources required to deliver it. Inform and shape a whole set of enabling and delivery plans around People; Digital; Economy; Customers, Land and Assets.
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Welcome to Monmouthshire

Monmouthshire is an incredible place to live, work and visit. This plan considers the people who call this place home now and in ten or twenty years' time. The decisions and actions we take over the next few years will determine the sort of place people live in, how they will travel around our county, the jobs they will do and the community facilities, learning, and support services available.

We are proud of our great schools and have invested tens of millions of pounds in making them even better. We are geographically well connected and are strategically positioned at the gateway of Wales and England. We have high numbers of business start-ups, unemployment is low and we are part of the Cardiff Capital Region with the potential to bring economic benefits to the area. We continue to create the conditions for local social action and to ensure nobody is left behind. However, we do face some big challenges. Funding for local government is declining; Monmouthshire already receives the lowest amount of funding per person of any local authority in Wales – £989 compared to an average of £1,320. Being a largely rural county means that we do not benefit from the economies of scale that urban areas have. Centralising services in one place in the middle of the county will not work for residents of Caldicot or Abergavenny. We also have an ageing population, which brings many benefits, but also challenges for functions such as Health and Social Services. We need to ensure families can afford to live here and that we have enough people of working age to create local wealth and deliver key services.

With less money, we will not be able to keep doing everything that we have done in the past. We will listen to our communities, find out what matters to them and focus on these areas. We are keen to help communities build their own resilience. We believe in social justice and are committed to a fair and equal society. We believe in helping people create communities that they feel they belong to whilst supporting their well-being. All this means that people have responsibilities as well as rights. Our officers and councillors will not have all of the answers and we need to make it easier for people to get involved in shaping their own futures. We will continue to broaden our horizons, developing innovative solutions to ensure the council can keep pace with expectations. At the same time, we will ensure our contribution to the wider county works hard at creating the conditions for a thriving economy, connected and sustainable communities and an ecologically resilient and culturally rich environment.

Whether you are a resident, a local business owner or a member of staff I encourage you to read this plan and get involved in helping build the future we want. The future Monmouthshire deserves.



Councillor Peter Fox
Leader of the Council

The Purpose of our Corporate Business Plan

Monmouthshire County Council's Corporate Business Plan sets out the things we will be working on in the medium term. It provides direction and a sense of what will be important for the next four years, taking us up to the end of the political term in 2022, but many of the things we are doing are incredibly ambitious and are focused on the longer-term future of our county. It is not enough to keep our county and council going for now – we have to ensure it is continually growing for the future. The plan is our way of ensuring the council, its staff and elected members are focused on delivering what matters, and that we do this as efficiently and effectively as possible. The plan is also our way of ensuring that as a local stakeholder, you have a tool through which to assess our actions and hold us to account.

We have huge drive and ambition for this place and there are some really significant improvements that we are committed to delivering. The issue is the council does not have the resources – in both financial and human terms - to deliver on all these things at the same time. This plan focuses on policy priorities that will deliver the Council's purpose and is aligned with the financial resources we have available as set out in the Medium Term Financial Plan which is incorporated within these pages.

Beyond the allocation of financial resources to priorities, this Plan will also set the context for how we will mobilise the wider assets and resources at our disposal. The funding we receive to run services may be declining, but we continue to see a growing countywide commitment to local social action, volunteering and the contribution of new ideas, time, efforts and energies.

As a result, you can expect this plan to:

- Commit to priorities that are big impact and cross-cutting
- Contain programmes that contribute in a clear way, to one or more of our priorities
- Be underpinned by robust evaluation metrics and a clear ability to track progress
- Focus on the right things – not the easy things. Every choice carries an opportunity cost of the alternative things we could have done with that time or money.
- Benefit from the regular focus of our Cabinet and Senior Leadership Team
- Draw from and align with other long-term service plans and enabling strategies for People, Customers, Digital, Assets and the Economy
- Provide the architecture for our wider performance management framework. This is an approach that integrates long-term strategies and policy direction with department-level business plans that give clarity on what needs to be done, how and by when
- Have clear design principles that ensure over time, our financial, people and community resources are aligned with the things that can make the biggest difference to the lives of local people.

The Plan will not set out everything that the Council does in our county, every day, to help ensure it is a sustainable and resilient place. It is underpinned by a clear policy framework that sets out in more detail our work in areas such as social justice and safeguarding. The contribution it makes is to ensuring we stay focused on priorities and enable people everywhere to see how their work fits into the larger picture of our ambitions and goals.

Our Foundation: Purpose, Values & Design

Monmouthshire County Council has a strong sense of character and purpose. We shape this in line with the goals and ambitions of our partners in other public services such as the NHS, Police, Public Health, housing associations and the Fire and Rescue Service. These and many more organisations are part of the Monmouthshire Public Service Board (PSB). We are combining the ingenuity and initiative of all partners to find new solutions to pressing, social, economic and environmental problems. This sense of 'power of the collective' is central to our core purpose, reflected in our values and embodied in our culture.

Purpose

At the heart of everything we do:

We want to help build sustainable and resilient communities that support the well-being of current and future generations.

Values

We can only achieve great things for our place through the people who live and work here, those on our payroll and those in Monmouthshire's communities including the countless volunteers and groups that give this place a richness and vibrancy. Our values reflect who we are, how we do things and how we are shaping the future. We try our best to apply these in everything we do.

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.

This plan sets out in more detail what we will do to help achieve our goal of building sustainable and resilient communities.

Design Principles

Our plan has eight design principles that link to longer-term goals. We will be:

Accountable - through setting out plans and goals in clear ways and ensuring we are open in all decision-making, engagement and evaluation of performance. We will give account of and be held accountable for the things we do and for the things we do not do. The process of member and public scrutiny will continue to be an important feature in this.

Responsible – we will safeguard and optimise public money. In so doing we will ensure that people are supported to act responsibly, and to take measured and supported risks, recognising that caution, inactivity and indecision can be as costly as uncalculated and ill-considered actions.

Inclusive – we will help shape communities and create a sense of place – applying the principles of social justice and community resilience. We recognise that to deliver quality public services, wealth creation and tax yield is vital, and so we will focus on driving- up levels of business productivity as a means of supporting prosperity for all.

Innovators – we will boost our productivity by not just doing the same old things better, but committing to doing fundamentally better things. Efficiency and effectiveness has to go beyond ‘back office’ savings and simply reducing spend. We will continue to invest in adapting our models for service delivery to deliver on outcomes, effective governance and smart use of public money.

Learners – we will boost our capacity for research and development to ensure we understand the problems we need to solve and we will work in a ‘challenge-driven’ way to open up opportunities for the co-development of new, better and more cost-effective solutions.

Good friends – we will honour commitments that we make to others. Where things don’t go well we will work them out together. Our desire for collaboration will be based on designing services that best suit the needs and aspirations of our public.

Getting the basics right – we are focused on doing better things and getting right the most important aspects of our core business. This includes providing a high quality customer experience and ensuring that safeguarding continues to run through everything that we do.

Community focused – we have high levels of social capital and will create the conditions that enable people to easily come together and develop solutions to build better communities. We recognise that communities are more vibrant when people work together and this makes a real difference to well-being.

Future focused – we will ensure that we fully consider whether the decisions we take are consistent with the well-being of future generations and are: long-term; integrated; collaborative; preventative and have involved people.

Developing our Plan

If everything is a priority then nothing is a priority. We examined evidence and identified the areas that we intend to focus on. We have aligned ambition with a clear assessment of the financial investment needed to deliver. Everything in this plan aligns with our purpose.

Managing Our Performance

Performance Management is about ensuring a shared understanding of what needs to be achieved and making sure that it happens. All other plans will be built from this one. These include the high level enabling strategies that form the council's policy framework and the strategic plans that provide the detail that brings this strategy to life.

All of our teams have service or business plans that describe the specific actions colleagues will be working on to deliver the objectives. All colleagues have annual appraisals that ensure their own contributions are aligned with the purpose, values and objectives of the council as well as providing the path for their own personal development.

Underpinning all of this is a suite of measures that enable us to understand how well processes are working and more importantly to track progress against the things that matter. You can see more detail about our performance management framework in appendix two.

BEST POSSIBLE START IN LIFE



67% OF PUPILS achieving 5 GCSEs grade A* - C

Provided stability in education for the majority of looked after children, only 8% experienced a change of school.



New secondary school builds in Caldicot and Monmouth

THRIVING & CONNECTED COUNTY



£1.2 BILLION
Cardiff Capital Region City Deal signed



Continuing to support the rollout of high speed broadband



93.7% **A**
OF MAIN ROADS surveyed in good or acceptable condition



127 affordable housing completions since the Local Development Plan was adopted in 2014



90%

of planning applications determined in time



NATURAL & BUILT ENVIRONMENT



99% OF STREETS at a high or acceptable standard of cleanliness

69%
OF WASTE is recycled - an increase from 56% four years ago

SOLAR FARM
developed in Crick will save over **2,000** tonnes of CO₂ per year by generating clean, renewable energy



LIFELONG WELL-BEING

73% OF ADULTS can live independently following reablement

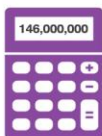


34% of people participate in sporting activities three or more times a week



49% of pupils hooked on sports for life

FORWARD-LOOKING, FUTURE-FOCUSSED COUNCIL



Total budget of **£146 MILLION**



MANAGED BUDGET REDUCTIONS of **£18.1 million** in the last 4 years



Established the Future Monmouthshire programme to ensure the council remains relevant and viable for the next generation

Launched the My Monmouthshire app, making it easier for thousands of people to contact us

Understanding What Matters

Our motivation is to help improve lives and create capable communities. The question at the heart of this plan is therefore not, 'What can we afford?' but 'What matters?' Our core belief is that if we do the things that make the most difference – business and organisational benefits will result because money follows clarity. We are in the first year of a five-year political term and have begun by gathering a wide-range of information to understand the issues that are most important to people. We have also been looking at future trends to make sure we consider the things that will affect how we work in the longer-term and are able to capitalise on the benefits of emerging technology and to take account of things like climate change.

Informing our Plan

The Public Service Board's (PSB) Well-being Assessment has been produced following extensive engagement with contributions from more than 1,400 people and examination of a wide range of data and evidence about what works and future trends such as the changing nature of employment and the impact of environmental factors such as pollution. It highlighted issues including:

- Low wages and high property prices are making it hard for families to live and work here
- Limited public transport and relatively low levels of broadband infrastructure make it harder for people to access work, jobs and services and car journeys cause air pollution which has real health impacts
- Reducing physical activity levels and the resulting rise in obesity and type 2 diabetes
- Pressure on health and care services from an ageing population

Although this work has been carried out on behalf of, the Public Service Board it surfaces issues that are incredibly important for our Council and the local area. As a key partner in the PSB, we will play a significant role in taking these forward and recognise that we are the principal enablers in enabling the shifts and changes needed to develop a sustainable and resilient future.

The Council has set four Well-being Objectives that focus on the specific contribution of our organisation towards well-being in the county. We are required to have these in place by 1st April each year and so their existence pre-dates the development of this plan. They are:

- Provide children and young people with the best possible start in life
- Develop opportunities for communities and businesses to be part of a thriving and well-connected county
- Maximise the potential of the natural and built environment for the well-being of current and future generations
- Maximise the potential in our communities to develop the well-being of people throughout their lives

Councillors have gathered information on the issues raised most frequently on the doorstep during the election campaign and ward surgeries. These include speeding; the quality of our physical and digital infrastructure; traffic; litter and education.

We have also looked at the issues people are reporting through community hubs, the contact centre and the My Monmouthshire App, which now has over 35,000 residents registered as users. Amongst the most common reasons for contact with the council are waste - things like registering for garden waste collections, getting new bags and reporting missed bin collections and council tax and revenues – help with filling out forms and

benefit enquiries. Other issues that result in direct contact tend to be around provision of our Grass Routes bus service and reports of fly tipping.

The important themes and issues that will guide our work over the next four years include the priorities that the Administration set out in its Political Manifesto prior to the election in May 2017. These include commitments to support:

- **Education & Skills** – investing in new secondary schools, raising standards and emphasis on Science, Technology, Engineering and Maths or STEM subjects
- **Social Care & Health** - enabling people who are vulnerable and elderly to be supported to live in their homes and communities for longer. Working in an integrated way with Health and other agencies in order to create more seamless services, combat loneliness and keep people well
- **Social Justice** - a fair and equal society, respecting and upholding diversity within our communities, addressing child poverty and worklessness
- **Enterprise & Job creation** - capitalise on the Cardiff Capital Region City Deal and reducing bridge tolls to unlock opportunity and drive economic growth so that productivity becomes a lever for increased prosperity
- **Rural Community** - combating rural deprivation and access to services, promoting new 'smart' technologies in agriculture, recreation and tourism and improving access to digital and physical infrastructure
- **Locally Accessible Services** – maintaining a local service offer and enhancing our leisure and recreation provision including a new pool and facilities in Monmouth
- The provision of quality housing, including affordable housing, to meet the needs of our communities and to address the needs of our changing demography.

Alongside all this, the *Future Monmouthshire* programme is about ensuring the council remains relevant and viable for the next generation, while continuing to meet the day-to-day needs of residents, visitors and businesses. Future Monmouthshire and its interventions are built around our design principles. Future Monmouthshire has also focused in on a number of significant future trends, such as the future of work, the utility of automated systems and machine learning, forward-looking land-use and house building and alternative models of service delivery.

Delivering What Matters – Our Policy Priorities

The Plan so far has established the context, evidence and inputs and importantly, the Wellbeing Objectives to which the Council already subscribes. Attention now turns to the outputs and outcomes to be achieved if we are to convert our understanding of what matters into delivering what matters through a meaningful programme. This section sets out our five Organisational Goals supported by the 22 commitments to action we will make and the ways in which they will be measured in the run-up to 2022.

The five Organisational Goals incorporate the four Well-being Objectives – but go further in reflecting the need for a deeper organisational and council business focus. Setting out our Organisational Goals in this way and the actions necessary to deliver on them enables us to identify the future we want. These are our commitments to action. We will report on progress annually in order to demonstrate the difference the Plan is making in local communities. We will wherever possible, make open and available, data and information that gives a more dynamic and continual account of our performance.

Our Five Policy Priorities

This plan sets out in clear terms our commitment to action between now and 2022 and incorporate the council's Well-being Objectives as required by the Well-being of Future Generations Act.



A. The best possible start in life

Research shows that improving outcomes for children and young people relies upon a 'life course' approach; each stage of life builds to the next. We will work with children, their families and communities recognising everyone has strengths as well as needs. We will work across professions and agencies and will be led by data and evidence from emerging good practice.

As an organisation we recognise the importance of wellbeing and people's safety and security as a part of that. We will promote safeguarding and ensure that it is everyone's business.

We will commit to beginning the work necessary to ensure that children and young people choose to attend school in the county.

We will invest in all our children's learning and development, ensuring they have the environments, skills and support to flourish and be prepared for work of the future. We want our children and young people to be industry ready, able to contribute locally and globally and meet the demands of a rapidly changing world environment.

Evidenced By

- Percentage of pupils achieving 5 good GCSEs at grade A* - C including English and maths
- Free School Meals attainment gap across all key stages
- Percentage of pupils who take part in sport on three or more occasions per week
- Proportion of Council staff trained to the appropriate safeguarding levels
- Percentage of looked after children who experience non-transitional school moves
- Percentage of children and young people living in the county, attending schools in the county
- Percentage of pupils with a statement of special educational learning need educated in mainstream setting within the county
- The number of year 11 school leavers not in education, training and employment

B. Thriving and well-connected county

Monmouthshire has the second highest level of economic competitiveness in Wales with the highest rate of business births. Whilst productivity is comparatively high – more needs to be done to increase Gross Value Added in existing & new industries. As the closest point for business relocation, post cessation of the Severn Bridge Tolls – this means seizing the opportunity to boost Research & Development capacity. We will develop a clear strategy that articulates our distinct strengths and goals for enhancing competitiveness, innovation and productivity.

We want Monmouthshire to be a place to be – not just a place to be from - and so we will review our Local Development Plan to ensure it is meeting our needs. The delivery of quality, sustainable and affordable housing will help enable the retention of young people, helping combat 'brain drain' and managing the social and economic challenges associated with a rapidly ageing population.

We will tackle the barriers to productivity, and focus sustainable infrastructure and connectivity. Externally, developing such foundations will enable businesses and community enterprises to deliver employment, growth and prosperity. Post-Brexit this will better enable businesses to look beyond our shores for customers. Internally, we will unlock the value of our own procurement spend; developing data-driven, enterprise and commercial mindsets and more innovative approaches to local market creation.

Evidenced By

- Gross Value Added of local economy compared to other parts of the UK
- Difference in average pay between men and women
- Average weekly earnings of people who work in Monmouthshire
- Number of active business enterprises in the county
- Number of new start-up businesses
- Proportion of premises with access to high speed broadband
- Number of market and affordable housing units built
- Total income generated from tourism

C. Maximise the potential of the natural and built environment

Monmouthshire has a spectacular natural environment, a unique heritage value and a culturally rich identity. We believe that necessary growth, development, and expansion of our place, need not compromise our distinctive offer – indeed it should complement and enhance it. We will play our part in tackling climate change. As an agricultural and food producing county, we recognize the moral and economic impetus around reducing food waste and the impact on greenhouse gases. We support the principles of the ‘circular economy’ and the recycling & restoration of goods and want to work with businesses and organizations that subscribe to these too.

We will maintain the internal corporate systems, policies and asset management plans that emphasize carbon reduction, energy resilience and a green council culture. Connected to this, we will safeguard the wider environmental interests of our rural communities through developing multi-agency approaches to road safety.

We will continue to recognize the value of our culture and heritage in enhancing the livability of our county. We will work with partners and communities to enhance our high quality recreational and cultural facilities to provide opportunities for people to learn, develop and enjoy themselves and help attract the talent so key to driving a strong economy.

Evidenced By

- Ecological footprint of Monmouthshire residents
- Percentage reduction of council carbon dioxide emissions
- Percentage of waste recycled
- Capacity of renewable energy in the county driven by the council
- Percentage of fly-tipping cleared within 5 working days
- Percentage of streets that are clean
- Total amount of Rural Development Plan funds committed to projects in Monmouthshire
- Number of rural communities in which speed safety initiatives are supported Road safety and speeding
- Number of new active travel routes
- Levels of nitrogen dioxide (NO₂) pollution in the air.

D. Lifelong well-being

Developing well-being and adopting community-focused approaches is about changing practice and lives. We will continue to commit to the personalization of care and true collaboration with people who have care and support needs and carers.

Making deep relationships the norm is challenging – but it is the right thing to do and developing really effective partnerships and supporting individual family and community resilience is key to this. Creating good social support systems relies on more than just the economic and wealth creation aspects of our work. We will work to create prosperity for all and this means taking into account economic and social wellbeing.

We will cultivate social capital and promote access to opportunity and in so doing, will work towards better physical and mental health and social care outcomes. Our approach will take a strengths based approach to encouraging independence, self-care, support, learning, and engagement.

Evidenced By

- Percentage of people participating in sport 3 or more times a week
- Percentage of people participating in the exercise referral scheme still active after 16 weeks
- Percentage of people living independently at home 6 months after reablement
- Mean mental well-being score for people.
- Percentage of people who volunteer
- Percentage of people agreeing that they belong to the area

E. Future-focused Council

Evidenced By

Our operating environment is a changing and challenging one. Demographic shifts, increasing demand, Brexit and fiscal uncertainty – all require an understanding that 'business as usual' is no more. We will continue to rapidly adapt, develop foresight capability and enable the service changes and countywide transformations that best meet the aspirations of our communities. This outward facing approach will mean reducing the reliance on traditional public services and having more genuinely collaborative local relationships. Digital will feature strongly in this, allowing 'fit for future' service models and enabling the sharing of approaches and resources to addressing crosscutting problems.

Our goal is to continue to build an engaged, responsive and adaptive council, able to provide effective leadership, in collaboration with other local partners. We will develop and sustain a dynamic, healthy and rewarding work environment that attracts and retains top talent and enables them to perform at their best.

Good governance will be at the heart of what we do and we will ensure the right information gets to the right people to inform decision-making. We will integrate a service focus into all dealings with customers and ensure they are well informed and engaged in decision-making. We understand the best public servants see themselves as not working for the council – but for the county.

- Number of applied solutions to problems led by Future Monmouthshire work
- Percentage of targeted budget reductions achieved
- Number of open data sets published
- Income generation from commercial investments
- Number of working days lost sickness
- Percentage of staff turnover
- Monmouthshire's credit rating
- Percentage of people that agree their local council provides high quality services

A Monmouthshire that Works for Everyone

A. Best possible start in life

	How we're doing it	Who is accountable?
1) THE COUNCIL INVESTS IN FUTURE SCHOOLS	<ul style="list-style-type: none"> • Conclude comprehensive redevelopment of new secondary school with community leisure facilities in Monmouth • Commence Abergavenny school redevelopment • Develop 'Band C' proposals for the re-provision of secondary learning in the Chepstow area 	Cabinet Member for Children and Young People
2) THE COUNCIL HAS A PLAN FOR RAISING STANDARDS IN SCHOOLS	<ul style="list-style-type: none"> • Continue to raise standards in education including STEM subjects (science, technology, engineering and maths) • Ongoing focus on vulnerable learners • Convening school industry partnerships 	Cabinet Member for Children and Young People
3) THE COUNCIL CARRIES OUT A STRATEGIC EDUCATION REVIEW	<ul style="list-style-type: none"> • Implement the findings and recommendations of the independent Additional Learning Needs Review • Review of Catchment and Nearest School Policy • Review of Home to School Transport • Review and develop leadership structures across schools 	Cabinet Member for Children and Young People Cabinet Member for Operations
4) THE COUNCIL IMPLEMENTS A MODEL OF EARLY INTERVENTION AND PREVENTION FOR CHILDREN AND FAMILIES	<ul style="list-style-type: none"> • Integrate preventative children and family services within each locality into one prevention focused function • Provide services that meet mental health and emotional well-being including the Face2Face counselling scheme • Promote active lifestyles through activities such as The Daily Mile 	Cabinet Member for Social Care, Safeguarding and Health
5) THE COUNCIL ENSURES PERMANENT ACCOMMODATION AND SUPPORT FOR LOOKED-AFTER CHILDREN	<ul style="list-style-type: none"> • Work with regional partners to increase the numbers of children who are adopted in a timely way • Increase the number of Monmouthshire foster carers 	Cabinet Member for Social Care, Safeguarding and Health

B. Thriving and connected county

What we're doing	How we're doing it	Who is accountable?
6) THE COUNCIL DEVELOPS AND DELIVERS A NEW ECONOMY AND ENTERPRISE STRATEGY	<ul style="list-style-type: none"> • Work with business to create and deliver a new strategy focused on increasing competitiveness, productivity and innovation • Develop incentives and support to encourage indigenous business growth and inward investment • Develop more employment opportunities for young people to reduce the numbers leaving the county • Ensure planning policies and land allocations for employment uses enable appropriate growth sectors. 	Cabinet Member for Enterprise
7) THE COUNCIL MAXIMISES ECONOMIC POTENTIAL THROUGH DELIVERING THE CARDIFF CAPITAL REGION CITY DEAL	<ul style="list-style-type: none"> • Lead 'Innovation theme' and play a key governance role in the Cardiff Capital Region • Develop and deliver projects of regional significance including capitalizing on new Compound Semiconductor Foundry 	Leader of Council Cabinet Member for Enterprise
8) THE COUNCIL DELIVERS BETTER INFRASTRUCTURE CONNECTIVITY & OPPORTUNITY	<ul style="list-style-type: none"> • Develop and deliver solutions to improve rural broadband • Develop a range of options to improve rural transport and better public transport linked to opportunities throughout the Cardiff Capital Region • Enhance the quality of local highways services • Identify to reduce the difference in pay between men and women in the county 	Cabinet Member for Social Justice Cabinet Member for Operations
9) THE COUNCIL PROVIDES MORE OPPORTUNITIES FOR LOCAL LIVING, WORKING & LESIURE	<ul style="list-style-type: none"> • Review the current Local Development Plan to ensure an appropriate supply of land for homes and businesses • Participate in and shape opportunities for regional strategic land-use development plans • Increase the volume, quality, variety and affordability of housing • Provide flexible support for business and tourism development 	Cabinet Member for Enterprise

10) THE COUNCIL UNLOCKS ECONOMIC VALUE OF ITS SPENDING POWER	<ul style="list-style-type: none"> Review our procurement spend, improve analysis of expenditure and build local supply chains where possible Reduce waste by committing to the principles of a 'circular economy' Ensure we play an active part in national-led commissioning consortia 	Cabinet Member for Resources
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C. Natural and built environment

What we're doing	How we're doing it	Who is accountable?
11) THE COUNCIL DEVELOPS & DELIVERS A SUSTAINABLE PLAN FOR ENHANCING THE LOCAL ENVIRONMENT	<ul style="list-style-type: none"> Improve how we deal with litter and fly-tipping Minimise the amount of waste that is sent to landfill Deliver Green Infrastructure Policy Secure and deliver funds for projects including Living Levels, Agri-urban and Air Quality Install real time air quality monitoring equipment in four schools 	Cabinet Members for Operations Cabinet Member for Enterprise Cabinet Member for Social Justice & Community Development
12) THE COUNCIL PRODUCES 'GREEN AND CLEAN' ENERGY	<ul style="list-style-type: none"> Develop local renewable energy schemes including a 2nd solar farm Reduce the carbon footprint of Council operations Trial and test hydrogen vehicles through partnerships with organisations such as River Simple Install battery charge points for electric vehicles in all towns 	Cabinet member for Resources Cabinet Members for Operations
13) THE COUNCIL KEEPS RURAL ROADS AND AREAS SAFE	<ul style="list-style-type: none"> Work with speed safety professionals, schools and others to develop technical and 'nudge' policies aimed at speed reduction Support for Community Speed Watch and community-led speed safety initiatives 	Cabinet Member Operations
14) THE COUNCIL ENHANCES LOCAL HERITAGE THROUGH COMMUNITY OWNERSHIP AND DEVELOPMENT OF ARTS AND CULTURAL SERVICES.	<ul style="list-style-type: none"> Implement Museums' Review Submit Heritage Lottery Fund bids to enhance facilities in towns 	Cabinet member for Enterprise

	<ul style="list-style-type: none"> • Enable community-led arts and heritage presence in each of our five towns • Protection and enhance our built heritage 	
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D. Lifelong well-being

What we're doing	How we're doing it	Who is accountable?
15) THE COUNCIL ENABLES CONNECTED AND CARING COMMUNITIES SUPPORTING PEOPLE TO LIVE INDEPENDENTLY	<ul style="list-style-type: none"> • Maximise the opportunities for all people to live the lives they want to live and the positive outcomes they identify. • Co-produce our approaches to well-being, care and support • Develop opportunities for people to be involved in their local communities reducing isolation and loneliness • Improve opportunities for people with care and support to actively contribute through employment and volunteering 	Cabinet Member for Social Care, Safeguarding and Health
16) THE COUNCIL DELIVERS ON SOCIAL JUSTICE, BETTER PROSPERITY AND REDUCING INEQUALITY	<ul style="list-style-type: none"> • Reduce child poverty and social isolation and improve economic inclusion • Promote equality and diversity and ensure opportunities are genuinely available to all • Advance social justice and well-being through Asset Based Community Development 	Cabinet Member for Social Justice Cabinet Member for Social Care, Safeguarding and Health
17) THE COUNCIL ENABLES BETTER LOCAL SERVICES THROUGH SUPPORTING VOLUNTEERS AND SOCIAL ACTION	<ul style="list-style-type: none"> • Ensure meaningful community engagement to understand the assets and priorities in each locality • Approve volunteering policy and support the Community Volunteering Academy • Extend the reach of Monmouthshire Made Open as a technology-enabled tool for promoting civic action 	Cabinet Member for Social Care, Safeguarding and Health Cabinet Member for Social Justice
18) THE COUNCIL BOOSTS LEISURE, RECREATION AND WELLBEING	<ul style="list-style-type: none"> • Deliver a new pool and leisure facilities in Monmouth • Complete a business case on transfer of services to an Alternative Delivery Model • Use section 106 funding strategically to develop local 	Cabinet Member for Enterprise

	projects that maximise well-being <ul style="list-style-type: none"> • Improve well-being through Exercise Referral Scheme, Monmouthshire Games and Dragon Sports 	
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E. Forward-looking, future-focused Council

What we're doing	How we're doing it	Who is accountable?
19) COUNCIL ENABLES AND PROVIDES GOOD SUSTAINABLE LOCAL SERVICES WHILST DELIVERING AN EXCELLENT CUSTOMER EXPERIENCE ACROSS ALL CHANNELS	<ul style="list-style-type: none"> • Develop new business model for Community Hubs and Customer Care to increase access and provide a greater choice of channels for customers to engage with us (online, via the My Monmouthshire app, over the phone or face-to-face) • Increase the publication and use of open data to increase accountability and enable others to develop apps that have a civic benefit • Introduce Digital Service Standard 	Leader of Council Chief Executive Cabinet Member Governance
20) COUNCIL OPENS UP DEMOCRATIC ENGAGEMENT & COLLECTIVE DECISION-MAKING	<ul style="list-style-type: none"> • Re-shape and our governance arrangements including more detailed options appraisals • Identify ways to get more people involved in local democracy and scrutiny to enhance local decision-making • Develop remote access and attendance at meetings to maximize participation • Revise all enabling strategies and plans – People, Digital and Customers, Assets and Economy and Enterprise • Review and consolidate working groups and arrangements • Revise performance and improvement plans and replace with 'real-time' data dashboards 	Cabinet Member Governance
21) THE COUNCIL DELIVERS A SUSTAINABLE AND RESILIENT ORGANISATION AND	<ul style="list-style-type: none"> • Deliver the Future Monmouthshire programme • Complete the move from task and time approach in social 	Leader of Council and all Cabinet

<p>RELEVANT, VIABLE AND VALUED PUBLIC SERVICES</p>	<p>care to relationship-based care at home</p> <ul style="list-style-type: none"> • Explore and embed new ways of working – Artificial Intelligence, automation and collaborative technology • Develop a commercial strategy and approach • Deliver a sustainable and viable Medium Term Financial Plan 	
<p>22) THE COUNCIL PUTS PEOPLE AT HEART OF ALL IT DOES AND INSPIRES EXCELLENCE IN WORKPLACE AND EMPLOYEES</p>	<ul style="list-style-type: none"> • Strengthen decision making and accountability • Prioritise Health, Safety and workplace Well-being • Promote diversity and inclusion • Engage employees through personal development training and learning 	<p>Cabinet Member for Resources</p>

Medium Term Financial Plan

Over the last four years, the Council has managed £19 million of savings from its service budgets. Funding from Welsh Government has reduced over the period and austerity looks set to continue for the foreseeable future. At the same time pressures on the budget have been increasing in terms of demographic growth, demand and expectations. Our motivation is to help improve lives and built sustainable and resilient communities. The question at the heart of this plan is therefore not, 'What can we afford?' but 'What matters?'

The provisional settlement from Welsh Government for 2018/19 has delivered a reduction in the Authority's Aggregate External Finance (AEF) of 1%. The Minister has also provided an indicative settlement for 2019-20 which will see the local government settlement reduce by on average a further 1.5%.

Monmouthshire remains at the bottom of the table in terms of funding per head of population. After several years of delivering significant savings from the budget, the means of achieving further reductions becomes increasingly more challenging.

Proposals for the medium term financial plan were scrutinised by Select Committees between November 2017 and January 2018. However there have been some adjustments to the assumptions used to build our financial model meaning it is not possible to present a complete picture at this point in time. This section of the Corporate Plan will be developed once the budget is developed and scrutinised by members.

The emerging budget proposals for 18-19 are more than a standalone one-year budget. They are a blend of ongoing sustainable efficiencies; continued income generation and a focus on investing in areas such as education and social care. As a contributor to our wider *Future Monmouthshire* work, they help build a bridge between the present we have and the future we wish to see.

How we will Evaluate Progress

This Plan sets a clear direction for the period up to 2022 when the next council elections are held. Some of the things we have set out to do are easy to see or count, such as new school buildings or reducing the amount of waste we send to landfill. Others, such as reducing inequality or encouraging business growth and harder to quantify. This section sets out how we will evaluate our progress to ensure transparency and accountability which is part of our governance arrangements.

The front part of the plan shows some of the measures we will use to assess our progress. These are a mix of process, output and outcome measures. In short: Did we do it? Did we do it well? Are people better off as a result?

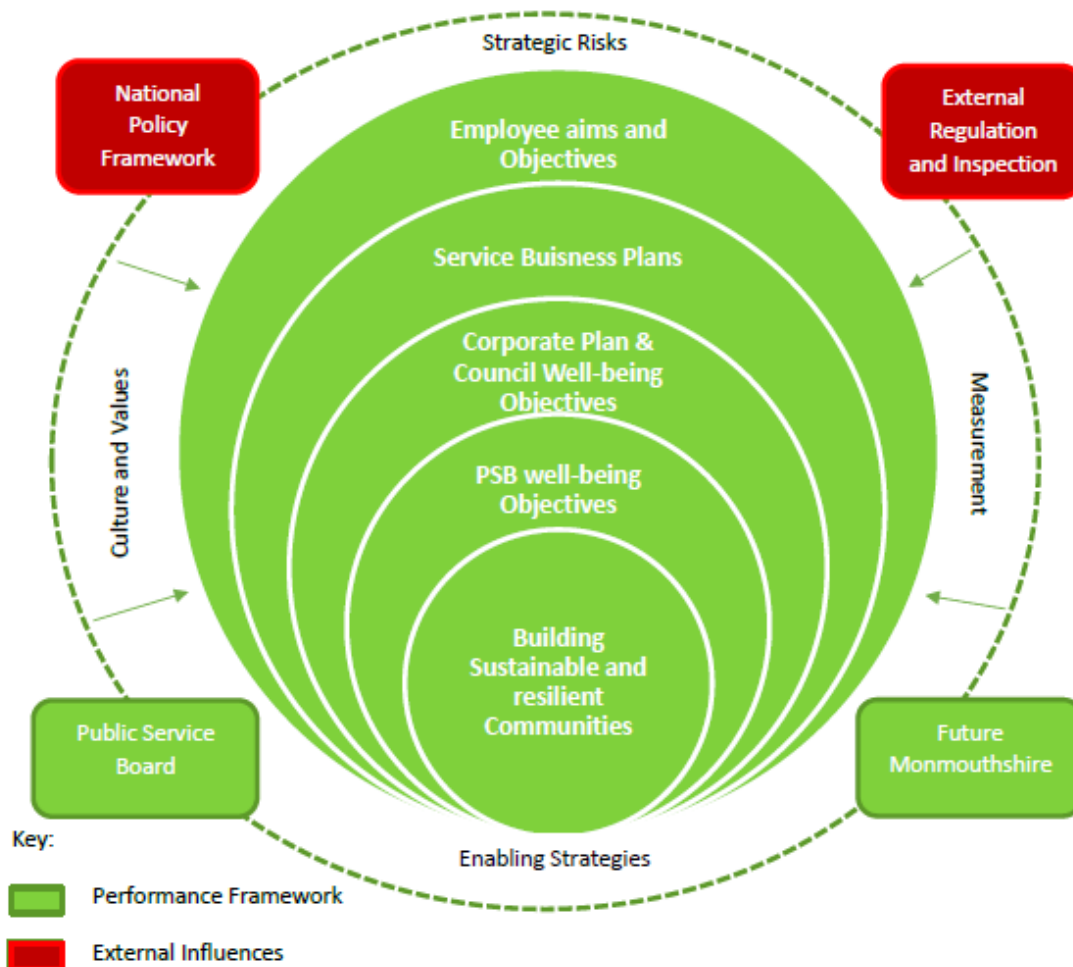
Following approval of the plan we will identify baselines for these measures and the position we want to achieve by 2022. When we're dealing with complex issues it isn't always easy to measure progress quarterly or annually in a single number. In this plan we've highlighted some of the more accessible metric and milestones but behind all major programmes of activity we have a separate project plan. We will develop a dashboard that tracks progress against key metrics quarterly and this enables the authority to be held to account.

We will also produce an annual progress report and present this to council. This will be scrutinised by select committees during the year alongside other key performance measures, recognising that the impact made by the objectives may not be clearly demonstrable over short timescales. At the end of the plan period a full evaluation will be completed and this will be reviewed prior to the 2022 local elections.

Appendices

Performance Management & Policy Framework

This section provides a picture of our performance management framework; illustrates the interdependencies and how the policies, plans and programmes it contains, should be mutually reinforcing. In simple terms, our performance management framework is integral to the adoption and application of our Corporate Business Plan because it makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.



Building sustainable and resilient communities is the unifying purpose of the diverse range of services for which we are responsible. We are a partner in the Public Service Board, which is responsible for setting well-being objectives for the county. The council's own well-being objectives are set by councilors based on the same well-being assessment as the PSB objectives and as this plan illustrates, form the backbone of our Five Organizational Goals. Each of our teams has a business plan that aligns to these objectives. We have a range of performance measures that we use to keep track of our progress. Our risk management policy enables us to manage strategic risks to our delivery. Our employee aims and objectives show how the contributions that individual colleagues make to these objectives and delivering our vision in accordance with our values. Our 'enabling strategies' support the delivery of our objectives. Our work is informed and guided by national policy an external regulation and inspection. This is appended to the Plan for further information and context.

Policy Framework

Our Improvement Framework is supported by a range of plans as part of our Policy Framework” that guide our actions to improve services. These are

Level	Policy Framework	
Vision	<p>The Public Service Board Well-Being Plan</p> <p>The Public Service Board will produce a local well-being plan in 2018</p>	
Plan	<p>Corporate Plan including Council well-being objectives</p> <p>Set out the direction for the Council in the next 5 years the resources required to deliver it and articulates the council’s well-being objectives for carrying out sustainable development and maximise the contribution to achieving the wellbeing goals</p>	
Strategy	<p>Asset Management Plan</p> <p>Describes how we manage our land and property portfolio</p>	<p>Financial Plan</p> <p>Sets out the financial challenges we face & how we will meet these challenges</p>
	<p>People Strategy</p> <p>The strategy connects people to purpose to improve performance and deliver better outcomes</p>	<p>Digital and Customer Strategy</p> <p>The steps we will take to develop our digital offer in our services and communities</p>
	<p>Local Development Plan</p> <p>Our proposals and policies for future development and use of land</p>	<p>Economy and Enterprise Strategy</p> <p>Our proposals for increasing competitiveness, innovation and productivity.</p>
Delivery	<p>Service business plans</p> <p>Each service has a plan that evaluates performance, plans actions for the year ahead, includes metrics to monitor performance and manages risks.</p>	<p>Employee Aims and Objectives</p> <p>Employee appraisals enable individuals and teams to outline the values and performance that is relevant in their role and connects them to the purpose of the organisation.</p>
Evaluation & Risks	<p>Evaluation</p> <p>Evaluates performance, plans & metrics to monitor performance.</p>	<p>Strategic Risk Assessment</p> <p>Identifies, manages and monitors the Council’s Strategic risks.</p>

Good Governance - Strategic Risks

Corporate governance sets out, co-ordinates and aligns the organisational processes and frameworks that will need to come together to deliver this plan at a whole-council level. There will be risks attached to this and good governance will ensure these risks are understood, managed and communicated. The Council has an established risk management policy that sets out the Council's policy and approach to strategic risk management. The risks are 'high-level' but not as much as to limit their practical usefulness and application.

The council's strategic risk assessment ensures that:

- Strategic risks are identified and monitored by the authority.
- Risk controls are appropriate and proportionate
- Senior managers and elected members systematically review the strategic risks facing the council.

The Council's aim and intention is to anticipate and manage risks pro-actively rather than deal with the consequences of actual occurrences. The strategic risk assessment typically identifies key risks, which could significantly jeopardise the Council's ability to achieve its objectives and statutory requirements. The strategic risks related to delivering the objectives in the Corporate Business Plan will be identified in the strategic risk assessment which provides a full assessment of the risk and mitigation actions.

Risk appetite - Innovation & Risk tolerance

There will be occasions – including the application of this plan - when the Council may benefit from introducing new opportunities or adopting innovative approaches. These may necessarily result in a degree of calculated risk that is inherent in the approach in order that a return or benefit can be achieved. Where circumstances involve exposure to such risks, they must be assessed in line with the Council's 'risk tolerance' levels. Individual project proposals and business plans must contain an assessment of likely risks and consider the risk tolerance levels. Any innovation or opportunity that presents medium or high risks must be closely examined; the risks clearly identified, analysed, documented and as appropriate consulted on. The risk tolerance levels are:

Accepted risks

In general, these are assessed risks, which may result in exposure to the following:

- adverse effect on the Council's reputation and/or performance
- censure or a fine by regulatory / statutory bodies
- financial loss or impact on assets

Unaccepted risks

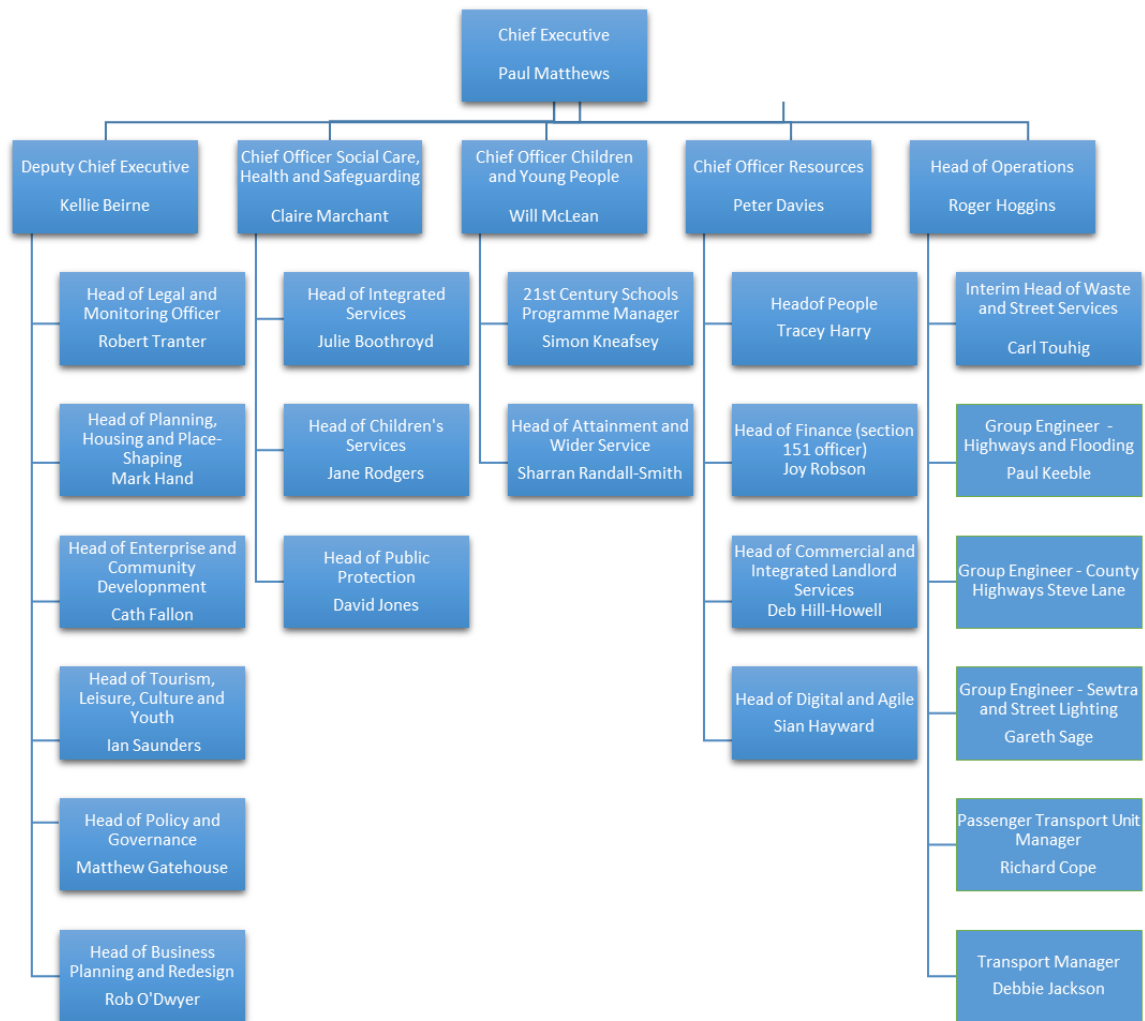
In general, these are assessed risks, which may result in exposure to the following:

- physical or other harm to any person
- intentional non-compliance with legislation and regulations
- intentional non-compliance with the Council's policies, rules and procedures, etc.
- major financial loss or damage to / loss of assets

The strategic risk assessment is just one part of the Council's risk management arrangements. The risk assessment typically covers high and medium level risks. Lower level operational and strategic risks are not included unless they are projected to escalate within the three years covered. These risks are managed through a variety of processes for example through teams' service plans, through Emergency Management Plans and the business continuity, health and safety procedures, insurance arrangements etc. The framework below highlights some of the main processes through which risks are identified and managed



Organisational Structure



Key Performance Indicators

Our Corporate Business Plan sets out the main things we will be working on over a five year period. It's really important that we are able to demonstrate progress and can be held to account against these. The activity is underpinned by a suite of measures that enable us to do this.

Many of the programmes listed in this plan are ambitious and in the early stages of development. Over the course of five years there may be some changes to measures, especially when these are drawn from national sources that are beyond our control. Where this happens we will look to include alternative measures that are aligned with our purpose.

Ref	Description	Current
Best possible start in life		
	Percentage of pupils achieving 5 good GCSEs at grade A* - C including English and maths	67.0% ¹
	Free School Meals attainment gap across all key stages (percentage point change)	9.9pp ¹
	i) Foundation Phase	10.2pp ¹
	ii) Key Stage 2	18.8pp ¹
	iii) Key Stage 3	43.8pp ¹
	iv) Key Stage 4	
	Percentage of pupils who take part in sport on three or more occasions per week	48.8% ²
	Proportion of Council staff trained to the appropriate safeguarding levels	78%
	Percentage of looked after children who experience non-transitional school moves	8.1%
	Percentage of children and young people living in the county, attending schools in the county	tbc
	Percentage of pupils with a statement of special educational learning need educated in mainstream setting within the county	70.95%
	The number of year 11 school leavers not in education, training and employment	2.0%
Thriving and well-connected county		
	Gross Value Added of local economy compared to other parts of the UK	£21,884
	Difference in average pay between men and women	£57.60
	Average weekly earnings of people who work in Monmouthshire	£539.00
	Number of active business enterprises in the county	4120
	Number of new start-up businesses	58 ²
	Proportion of premises with access to high speed broadband	tbc
	Number of market and affordable housing units built	238
	Total income generated from tourism	£190.05m

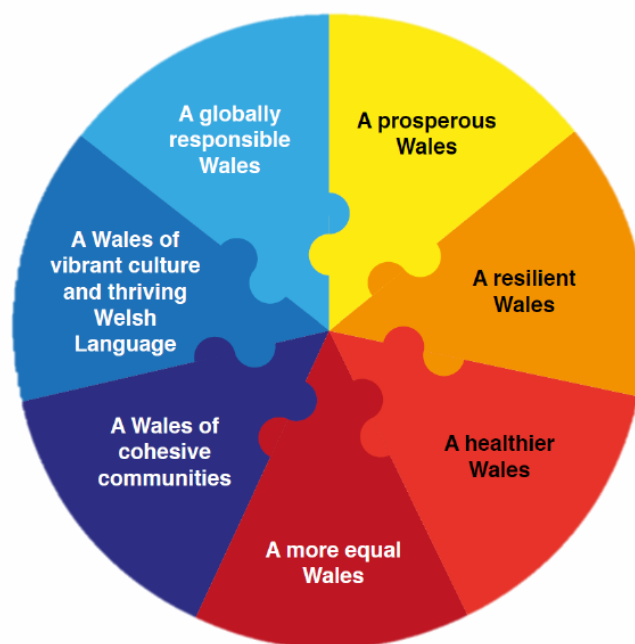
Ref	Description	Current
Natural and built environment		
	Ecological footprint of Monmouthshire residents (global hectares)	3.42
	Percentage reduction of council carbon dioxide emissions	3 ²
	Percentage of waste recycled	68.7%
	Capacity of renewable energy in the county driven by the council	1106 ²
	Percentage of fly-tipping cleared within 5 working days	98.3%
	Percentage of streets that are clean	97.5%
	Total amount of Rural Development Plan funds committed to projects in Monmouthshire	£432,000
	Number of rural communities in which speed safety initiatives are supported Road safety and speeding	tbc
	Number of new active travel routes	-
	Levels of nitrogen dioxide (NO ₂) in the air (µg/m ³)	11
Lifelong well-being		
	Percentage of people participating in sport 3 or more times a week	34.0%
	Percentage of people participating in the exercise referral scheme still active after 16 weeks	56.0%
	Percentage of people living independently at home 6 months after reablement	73.3%
	Mean mental well-being score for people.	tbc
	Percentage of people who volunteer	tbc
	Percentage of people agreeing that they belong to the area	72.0%
Forward-looking, future-focused Council		
	Number of applied solutions to problems led by Future Monmouthshire work	tbc
	Percentage of targeted budget reductions achieved	66.0%
	Number of open data sets published	5
	Income generation from commercial investments	£293,225
	Number of working days lost sickness	11.5
	Percentage of staff turnover	7.9%
	Monmouthshire's credit rating	tbc
	Percentage of people that agree their local council provides high quality services	51.0%

¹ = exam results from Academic Year 2016/17, ²= 2015/16 data. pp= percentage points.

National Policy Context

The Well-Being of Future Generations Act

The Well-being of Future Generations Act is the fundamental legislation that requires us to carry out sustainable development, this should ensure that present needs are met without compromising future generations in meeting their own needs. When carrying out sustainable development, we have to publish well-being objectives which are designed to maximise our contribution to achieving each of the seven national wellbeing goals and take all reasonable steps to meet the objectives. The seven wellbeing goals are shown in the diagram below while our own well-being goals are incorporated within this plan.



The contribution our local objectives make towards the seven national objectives has been assessed and is shown in the table below,

In planning our services and taking action to meet our well-being objectives we must consider, but also demonstrate that we have applied, the following sustainable governance principles in our decision-making:

- Balancing short term needs with long term needs.
- Using an integrated approach, balancing social, economic and environmental needs.
- Involving others and considering their views.
- Working in collaboration with others.
- Putting resources into preventing problems

All the current decisions made by the council and its cabinet are assessed using a Future Generations Evaluation which ensures equality and sustainable development are considered fully in the decisions we take. The Act also puts a well-being duty on specified public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area by contributing to the achievement of the well-being goals.

Well-being Objectives	Contribution of Well-being Objectives to Well-being Goals						
	Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	vibrant culture and thriving Welsh Language	Globally responsible Wales
Provide children and young people with the best possible start in life to help them achieve better outcomes	✓		✓	✓		✓	
Maximise the potential in our communities to improve well-being for people throughout their life course	✓	✓	✓	✓	✓		
Maximise the benefits of the natural and built environment for the well-being of current and future generations	✓	✓	✓		✓	✓	✓
Develop opportunities for communities and businesses to ensure a well-connected and thriving county	✓	✓	✓	✓	✓		✓
Adapt and evolve culture, systems and processes to continually develop as a future-focused Council	✓	✓			✓		✓

Local Government (Wales) Measure

The council is required under the Local Government (Wales) Measure 2009 to set annual Improvement Objectives and produce an improvement plan. In order to deliver sustainable development the council recognises that the setting of wellbeing objectives needs to be at the heart of the council's improvement framework and therefore has decided to combine the two requirements to provide a set of clear objectives of the council. This plan discharges the council's responsibility to publish its Improvement Objectives in line with the plans for the year ahead as outlined in section 15(7) of the Local Government (Wales) Measure 2009 and shows how the council is delivering the seven aspects of improvement.

Equality

The council has a long-standing commitment to equality and diversity. Our second Strategic Equality Plan was published in April 2016 and sets the council's objectives to ensure we deliver better outcomes for people with protected characteristics such as race, gender, disability or age. This is clearly aligned with the well-being goals set by Welsh Government and is a legal responsibility under The Equality Act 2010 – but above all else it is important to us as it is the right thing to do.

Welsh Language Standards

The authority recognises that the Welsh language is central to the goals introduced as part of the Well-being of Future Generations Act to ensure we are still able to maximise our contribution to a Wales of vibrant culture and thriving Welsh language.

The Welsh Language standards place a legal duty on councils to make it easier for people to use services through the medium of Welsh. They include making it clear that organisations welcome correspondence with the public in Welsh and making the meeting agendas and minutes available bilingually. The council has set a Welsh Language Strategy for 2017 – 2022, which is a requirement of the standards and sets out a vision of how the Welsh language will look in Monmouthshire in 5 years' time and targets to achieve that vision.

Alternative Formats

We can provide this document in Braille, large print, on tape or in electronic form. If you would like a copy in a different format, please contact our Equality and Welsh Language Officer by:

Phone: 01633 644010 or 07793798920

Fax: 01633 644666


e mail: equality@monmouthshire.gov.uk


If you want to comment on the council's objectives give your thoughts on issues that you feel should be considered as part of the council's approach to well-being, please get in touch.


We have included a short form for feedback at the end of this plan. You are welcome to use this and return it to us via post or e-mail. However, we welcome all views however you wish to supply them.

 improvement@monmouthshire.gov.uk

 www.monmouthshire.gov.uk/improvement

 Matthew Gatehouse, Head of Policy and Governance Monmouthshire County Council, County Hall, Usk, NP15 1GA

 01633 644397

 @MonmouthshireCC

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SUBJECT:	FUTURE OF TOURISM, CULTURE, LEISURE AND YOUTH
MEETING:	Cabinet
DATE:	29th January 2018
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

To set out the conclusions and recommendations of the comprehensive options assessment and Full Business Case to inform the future delivery of sustainable Tourism, Leisure, Culture and Youth (TLCY) services in Monmouthshire.

2. RECOMMENDATIONS:

- 2.1 To approve the Full Business Case, Business Plan and associated reports to inform the establishment of a new entity - an Alternative Delivery Model (ADM) - to secure a viable and optimal future for TLCY services; ensuring they are able to thrive and respond to the current and future needs, expectations and aspirations of Monmouthshire residents.
- 2.2 To agree to receive a fully developed initial five-year Management Agreement, inclusive of a complete Evaluation Matrix and a detailed Governance Framework - to be considered at a meeting of Full Council prior to enactment of the ADM. The Management Agreement will govern the interaction between the Council and ADM; and, the obligations and responsibilities that will ensure maintenance of core elements of democratic legitimacy, public accountability and workforce duty of care. On its approval by Full Council, the process of recruitment to senior posts will commence prior to the 'going live' date.
- 2.3 To approve a 'start up' fund of £155,000, drawn from the Priority Investment Reserve, that will allow the establishment of the new entity and provide reassurance around the intensity and rigour of the ongoing due diligence having regard to the requirements of both the Council and ADM. The results of this will inform the Management Agreement as per 2.2 above.
- 2.4 To recognise the amount to be included within the MTFP for the next 5 years of £388,000 and that will need to be taken into consideration as part of the 2018/19 – 2022/23 budget proposals as shown in the graph at 6.1.

3. KEY ISSUES:

The reality of our context

- 3.1 The report sets out the conclusion of a lengthy and wide ranging strategic appraisal of options to provide an optimal future for Tourism, Leisure, Culture and Youth (TLCY) – a

set of services instrumental to the wellbeing and life chances of residents, businesses and visitors to our county. Guiding the purpose of this work since its inception has been the aim of securing the most viable, sustainable and supportable future for TLCY services in order to optimise the contribution they are able to make to the wellbeing of Monmouthshire residents, throughout their lives. This has meant putting considerations of function ahead of form. It is for this reason that this report summarises the headlines of the business case for change and the plan that will deliver it. At this stage it cannot cover every aspect of governance and operations - this finer level of operating detail becoming the focus of next phase 'start up' activity and which will be set out in the Management Agreement.

- 3.2 The conclusion of this work has to be seen in the context of the wider financial, societal and wellbeing challenges and demand pressures upon both the county and Council. The funding the Council receives to run services, continues to decline and as the lowest funded Council in Wales, the gap between Monmouthshire and its twenty-one counterparts, is a significant one. Given the continuing pressures on all areas of public expenditure – this scenario presents as the 'new norm' – and yet doesn't have to signal inevitable decline and degeneration.
- 3.3 The Council and its Public Service Board partners, are signed up to four Wellbeing Objectives – derived from the Wellbeing Assessment and extensive public engagement. This puts TLCY services centre-stage as core catalysts and contributors to quality of life and wellness. TLCY services are not statutory – they are for the most part, 'discretionary'. In many ways, this does not matter. In some important ways however, it does. It has not been feasible historically to afford 'protection' to these services. The reason for this is that TLCY services operate in the market and so have had some freedom to generate income and develop new opportunities to build their own sustainability. In addition, there are genuinely wider, more flexible and accessible options through which to deliver TLCY services than there are for areas such as Education and Social Care – where flexibilities are restricted.

What Tourism, Leisure, Culture and Youth Services do

- 3.4 It is easy to summon up images of local leisure centres, attractions such as Caldicot Castle, Shire Hall and tourist information provision. However this seriously underplays the full scope of the vast array of services delivered by TLCY, which includes:
- Custodianship of 850 km² of countryside and 2,100km of public rights of way
 - Running a Gwent-wide Outdoor Education Service with sites at Gilwern, Talybont & Hilston Park
 - Overseeing Coastline, Castles, a World Heritage Site, a section of the Brecon Beacons National Park, the Wye Valley Area of Outstanding Natural Beauty and landscape partnerships
 - Operating and managing four Leisure Centres, four Museums, three major attractions, smaller community based attractions such as countryside, picnic and historic sites
 - Operating the Youth Service – multiple programmes, support and services to communities & schools

- Delivering the GP Exercise Referral Scheme
 - Operating Tourist Information Centres and tourism development
 - Delivering Sport's Development: Playmakers, Young Ambassadors & Monmouthshire Games
 - Responsibility for play, green infrastructure and biodiversity
- 3.5 Enabling provision of these functions is critical to the wellbeing of our county. The burgeoning costs of poor physical and mental health are well documented and it is a public health imperative to focus more on keeping people well – rather than merely treating them when they become sick. A number of prominent studies document the 'happiness benefits' of engaging in sport, exercise and cultural activity and leisure significantly boosts economic productivity and creativity. In a large rural county where access to service deprivation is a big issue – connecting people with their place through exercise, heritage and culture is a powerful tool. The culture and creative industry is also a growing segment of our economy. Monmouthshire competes in a global economy wherein cultural tourism accounts for nearly 40% of all tourism. STEAM figures document an upward economic trajectory and evidence demonstrates opportunities to address important broader social policy and justice issues. The work undertaken to inform the Wellbeing Assessment shows the 'pull' people feel to our county and the un-paralled access it can offer to awe-inspiring environments which enable people to feel well.

What TLCY services currently cost

- 3.6 All of the above clearly sets out why it is critical to ensure TLCY services are optimised. In 2010, the budget for combined TLCY services was some £6.5m and today this stands at just over £4.4m – 3% of the Council's total budget. Over this period, the service has outperformed all expectations of income and consistently been one of the top two contributors to the MTFP and thus, the drive for efficiency and effectiveness has long been established. Over the years, concessions have been made to sustain delivery when subsidies and support for things like free swimming for 60+ and sports development have decreased and in some cases, withdrawn altogether. The development of Monmouth Pool and leisure facilities has also featured, along with new play projects, investment in Countryside volunteers, Duke of Edinburgh, Young Ambassadors, and recently the Monmouthshire Games and Play-Makers.
- 3.7 Good practice and high output has broadly been maintained because of the immense passion and goodwill that exists on the part of both the on and off payroll workforce. However, staffing cuts, stagnation of income levels as facilities deteriorate, withdrawal of external grants, lack of investment and partners moving out of collaborative arrangements such as Tourist Information Centres and Outdoor Education – are all taking their toll.
- 3.8 Services feel increasingly unviable and delivery on the same footprint and structures appears unfeasible. Capacity is low and there is little, if any, scope to re-purpose and renew. Looking forward, the table below outlines that the costs of delivering services over the next five years, are consistently higher than the MTFP allocation. In order to deliver to these financial targets, services would have to be reduced significantly.

Table 1 – Cost of Delivery of Existing Services Compared to MTFP Allocation

	MTFP Allocation	Predicted Spend	Variation
Year	£000's	£000's	£000's
2018/19	4,316	4,518	202
2019/20	4,241	4,614	373
2020/21	4,210	4,674	464
2021/22	4,178	4,736	558
2022/23	4,143	4,798	655
Total	21,088	23,340	2,252

4. OPTIONS APPRAISAL:

4.1 The scale of the future challenge was first recognised in 13/14, when work was commissioned to consider options for future delivery of Cultural Services. Soon after, the scope of this work was widened to include all TLCY services. In October 2016, Cabinet approved the Strategic Outline Case which set out the full initial appraisal of options for change. These included, 'Transform in House', 'Establish and transfer services to an Alternative Delivery Model', 'Outsource', 'Join forces within an existing Council-led ADM' and 'Do Nothing'. In March 2017 Council agreed to progress the transform in house option (option 2) and the Alternative Delivery Model (option 3) and prepare a full business case to demonstrate a comparative analysis between the two options for consideration. In July 2017 the Joint Select Committee considered the draft full business case for scrutiny. The whole process has been facilitated by an in-house team and informed closely and tested by independent advisors and legal experts.

4.2 The comparative analysis of the two preferred options is summarised as follows:

TRANSFORM IN-HOUSE	NEW ENTITY - ALTERNATIVE DELIVERY MODEL
Over a 5 year period, transforming in-house would cost the council £22.945m, £1.857m above the potential MTFP allocation. This could spell service reductions; service decline & simultaneous price hikes.	ADM option would cost £21.44m. Still slightly outside MTFP allocation but income projections are appropriately conservative for a 'start-up' org and a profit share/ overage facility would be established
Limited opportunities for commercial and enhanced services offer due to funding constraints, declining performance and asset condition & staffing cuts	The ability to optimise; set and establish its own culture, tone and drive a commercial ethos to drive a social wellbeing mission. Strategic investment begins to address investment issues and current constraints
Council services and back office support and systems does not have and are not	Systems, processes policies and practices would all be bespoke and geared up to

TRANSFORM IN-HOUSE	NEW ENTITY - ALTERNATIVE DELIVERY MODEL
required in many cases to have, a commercial ethos. The council delivers 600+ services and the back office has hundreds of customers to serve and support and therefore cannot always react and respond to the requirements of TLCY services in the way needed.	making things happen and work. The ADM, its mission, people and customers are the priority.
Council is limited in accessing specific forms of external funding and grants and in the amount and types of trading that it can carry out. This reduces the range of potential ways in which services might be developed and delivered in future.	Freedoms and flexibilities to run services on behalf of council through 'Teckal', whilst at same time, benefiting from charitable status and trading ability. ADM can build its own resilience.
Staff morale likely affected by inability to progress, improve and enhance delivery	Staff morale has best chance of being maintained at 'high' - recruit and retain the best talent Board taps into social capital, influence and networks of key individuals and entrepreneurs within county
Remains as part of Council serving all usual processes, procedures and requirements Wellbeing is served as best as possible within constraints	Arms-length from council – but works for county – with key lines of accountability to council but without bureaucracy and protractedness Wellbeing is focus and diverts people from seeking assistance from costly council services

Key Considerations

4.3 The resultant full business case has been developed in accordance with the Five Stage Business Case Model and demonstrates that the 'new entity'/ ADM maximises value for money, affordability and deliverability. The full business case contains all of the relevant background information and sets out the strategic, financial, economic, commercial and management case. The case is mainly predicated on the opportunity for greater commercialism and the potential to create an optimum operating model. Whilst these terms may sound radical and jargonistic – they are not fanciful. The Council itself will need to grapple with and adapt to the same tests and challenges. A move to an ADM does not just signal change outside of the Council – it sets the bar for change within the Council too. Things within the Council cannot and will not stand still. It will of course take longer for this to occur, given the size and scale of the task. The key issue for TLCY

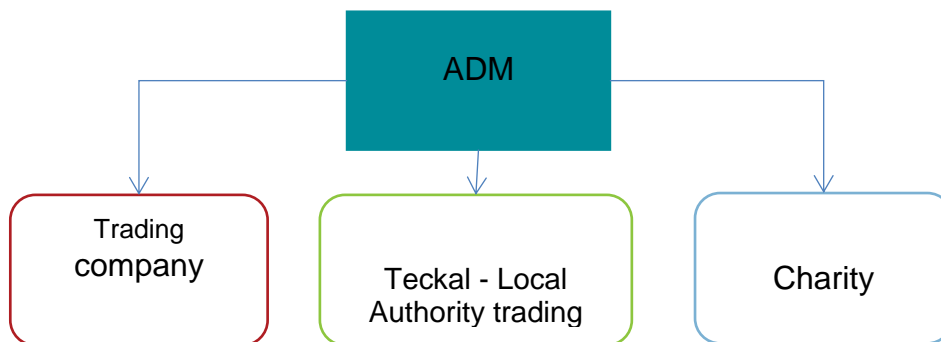
services however, is that they are ready now and can't afford a longer wait for a whole-scale change. The service is at a cross-roads now. It cannot provide further savings or income in its current form. Transform in-house would require prioritisation above other essential services. Acting now puts services on the best path to thrive and move beyond merely hoping to survive.

- 4.4 This underlines the real challenge for the Council itself in taking the big steps needed to balance the books over the coming years. This will mean making choices over what services to provide; what is commissioned and what is delivered in-house. It is possible that more ADMs become the norm as a means of tapping into wider available resources and opportunities to reduce costs. The ADM is thus, not just important for TLCY services – but important for the Council as a whole to have a demonstration of what is possible and what can work, before the even harder choices to come.
- 4.5 The crux of the business case is that TLCY services currently operate sub-optimally. Establishing an alternative means of delivery via an ADM, provides the best chance of optimising service delivery and delivering better outcomes for the county. It is no doubt, the 'easier' option for TLCY to remain within the Council – managing a reduced set of services with reduced performance output and expectation. The future of these services and the people they serve and support, cannot be about doing the easy thing, but the right thing.
- 4.6 In highlighting the differences set out in business case, between 'optimal' and 'sub-optimal' – the latter is no criticism of the Council's operating model or way of working. Aspects of the Council are commercially focussed, nimble and have a well developed and managed risk appetite. However, the Council is a massive organisation, running and operating over 600 different services, with a back office and support services geared up to supporting all of these 'internal customers'. Many services – particularly those in Education and Social Care do not exist to serve a commercial end. Marketing support, as one example, is excellent, but has to serve hundreds of customers whose aims and objectives differ greatly - and so cannot be as responsive as is needed to a commercially focussed service like Leisure which, is competing in an aggressive market. The ADM option also enables greater freedom to tackle the cost base and engage the market on commercial terms. This includes a focus on terms and conditions. The full business case is **not** predicated on changing the standard terms and conditions of existing employees. However, there are issues related to this which will need to be addressed and these concern the unique circumstance of evening/ weekend enhancements paid at a rate which render the undertaking of commercial endeavours unviable. If the new entity/ ADM is to be a success and compete effectively in a market context, it is not unreasonable that it is able to create the conditions for growth – especially given one outcome of this will be to create wealth, opportunities and more jobs.
- 4.7 In a world where the new UK Research and Innovation has set one of its four grand challenges around the UK's rapidly 'ageing population'; technology giants are acquiring health and social care companies to solve big societal problems and the investment coming through Industrial Strategy to promote wellbeing is targeted at industry and non-public bodies – the new entity will enable exploration of new initiatives across leisure,

health and social care. Rising social care costs are a significant issue and the potential exists for the ADM to leverage networks, opportunities and new investment. Helping to give young people the best start in life and supporting the wellbeing of people and communities throughout the course of their lives requires behavioural shift, innovation and building a wellness legacy. Merely handing more of a diminishing budget to social care is not a sustainable or long-term solution and the ADM should be expected to play a core role in this regard.

Form and Governance

- 4.8 The relationship between the three companies in the ADM Group is shown in the diagram below.



- 4.9 The Charitable arm is to be led by a Board of Trustees comprising nine Directors including two trustees nominated by MCC. The local authority controlled companies will be led by a separate Board of Directors comprising three directors nominated by the Council and two executive directors.
- 4.10 The Structure allows the group to operate in close partnership with MCC through their wholly owned Teckal and trading company, whilst having the benefits of independent charitable status for some of the work. The Teckal and trading companies allows greater freedom to engage in trade where it is needed. 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 provides full accountability back to MCC through the management agreement but will give the ADM the freedom to be entrepreneurial whilst ensuring that the organisation is operating as efficiently as possible. The Council will still be able to deliver its strategic vision through its grant and contractual arrangements and importantly its Board participation
- 4.11 The service specification agreed between the Council and the ADM would drive governance in terms 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. It is anticipated that the ADM Lead Officer will also present the annual report to Council. Regular reporting will also take place to MCC on overall performance and progress. The MCC Client Officer will also need to work with the ADM to plan future service requirements and to monitor the ADM's performance.
- 4.12 The ADM Board's will exercise their responsibilities by clearly setting out in the business plan and Management Agreement, the policy guidelines within which they expect the

management to operate. This sets out the short and long-term objectives of the organisation and a system for ensuring that ADM Lead Officers act in accordance with these directions. A procedure will be in place for measuring progress towards corporate objectives.

- 4.13 As the detail of the governance arrangements are a start-up consideration/ activity, the suggestion is the work is done through Audit Committee, given this is an important next stage of continued due diligence. The resultant Governance Framework will be set out in the Management Agreement and approved by Full Council prior to the enactment of the ADM.
- 4.14 A vital feature of the new ADM will be that all staff will work together as a single staff team, under the leadership of the ADM Lead Officers. This will ensure a seamless and integrated organisational culture, offering economies of scale and greater efficiency than the present arrangement of largely separate silos.

Evaluation

- 4.15 The Business Plan sets out the vision and ambitions for the ADM for the next three to five years as well as the expectations around benefits anticipated to be delivered as part of that plan. The Business Plan is based on a clear financial strategy delivered through a series of annual action plans. Action plans will be clearly linked to overall priorities which will be reviewed and agreed annually by the Board.
- 4.16 Key outline financial and business metrics have been developed which will sit alongside other business metrics and the existing key performance indicators (see page 16 and 25 of the business plan) used to judge business performance.
- 4.17 To measure the outcomes of the ADM, an outcome measurement framework is being developed to embrace all activities (see page 15 of the business plan). The outcome areas are Healthy People, Inspired people, Engaged People, Vibrant Communities, Resilient Environment and Enterprising Communities. These areas will contribute towards the Monmouthshire Public Service Board's Well-being Objectives and the seven well-being goals for Wales identified in the Well-being of Future Generations (Wales) Act 2015.
- 4.18 The outcome measurement framework will identify the contributions made for each outcome area. It will provide measures to gather outcome based evidence and drive the improvement of performance by helping refine and develop programmes and activities in the light of the outcomes they deliver. The Council will have the opportunity to inform and scrutinise the framework as part of the Management Agreement, prior to ADM being enacted.

5. REASONS:

- Sustaining access to essential and important local TLCY services is becoming increasingly challenging, to the point where current and future viability appears seriously compromised.

- Given the priority attached to continued sustainable delivery of these services, in serving the interests of wellbeing and wellness county-wide, new means of provision must be identified, tested, costed and delivered. The emphasis is less about ‘who’ delivers and is more about ‘what’ gets delivered in satisfying value for money and public demand and expectations
- The whole Council operating model must change if it is to meet the challenges of a continually reducing budget. The Medium Term Financial Plan sets out the aim of saving a total of £19.992m by financial year 2021/22, or broadly 6% of its annual revenue budget. The provision of the services outlined in this full business case is viewed as a crucial aspect of this cost saving programme.
- Whilst the Council makes moves towards a new operating model, as consistent contributors to the MTFP, TLCY services are at a cross-roads. Without significant changes and shifts, it is not possible for more efficiency or greater effectiveness to be gleaned in its current form. The time for TLCY is now if it is to act in the interests of both present and future generations. A new entity/ ADM is deemed to be the best means of achieving this and creating the conditions for optimisation
- The options appraisal, resultant full business case and business plan, bring together the culmination of 3.5+ years’ worth of work and due diligence. 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.
- The move to a new entity/ 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 move will provide opportunities for growth, development and heightened productivity. Teams can grow and learn; contribute to higher wellbeing and social justice goals and the opportunity to see the county reach its full potential
- The new entity can respond more quickly to market conditions and maximise its status as an effective ‘start-up’ business – creating wealth, opportunity and jobs and contributing to the economic productivity of the county.

6. RESOURCE IMPLICATIONS

Financial appraisal of options

- 6.1 The following graph demonstrates the two options and compares this to the do nothing model. The black line then demonstrates the possible MTFP allocation over the next 5 years. Both Options will involve additional investment above the resources allocated through the MTFP. Table 2 demonstrates the costs of the two options for the next five years. The ADM option model at £21.440m is the lower cost option and brings with it the prospect of a profit share mechanism in the event target income levels are exceeded – saving the authority £1.505m over the Transform in house option.

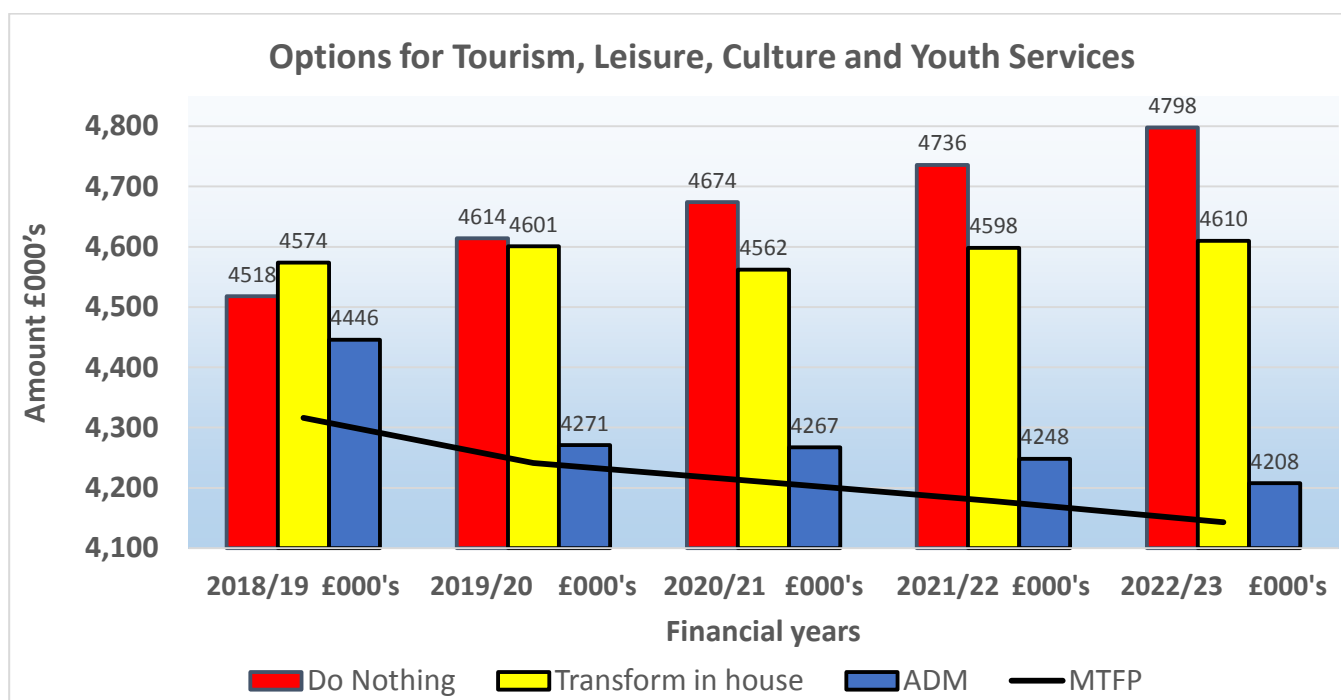


Table 2 – Five Years Option Costs

MTFP Allocation £000's	Year	Transform in House			ADM		
		Operating costs	One-off cost	Total costs	Operating costs	One-off cost	Total costs
		£000's	£000's	£000's	£000's	£000's	£000's
4,316	2018/19	4,574	45	4,619	4,446	155	4,601
4,241	2019/20	4,601	-	4,601	4,271	-	4,271
4,210	2020/21	4,562	-	4,562	4,267	-	4,267
4,178	2021/22	4,598	-	4,598	4,248	-	4,248
4,143	2022/23	4,610	-	4,610	4,208	-	4,208
21,088	Total	22,945	45	22,990	21,440	155	21,595

6.2 The MTFP over a five year period allocates some £21.088m for TLCY services. The ADM Option which maintains and delivers these services will cost £21,440m. These additional costs will need to be built into the MTFP. The calculations for the options based upon the operation for a full financial year and in 2018/19 amount to £130k. As the ADM has an anticipated start date of 1st October, then only half of that cost needs to be added at 65k. Existing pressures occurring within these services currently stand at 202k and so half of that will also need to be factored in at 101k. The MTFP will also need to take account of extra costs of 30k in 2019/20, 57k in 20/21, 70k in 21/22 and 65k in 22/23.

Residual impact to the Council

6.3 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.

- 6.4 Whilst these costs represent a potential pressure to the Council in future years, work will be commencing in advance in order to manage and eliminate these pressures through future rationalisation and restructuring of back office and central support services. These costs are therefore not included in the total costs shown in table 2 above.

Implications of VAT Ruling

- 6.5 Financial conditions are changing. Most recently with the HMRC Ealing Ruling where a proposed change could bring a windfall income gain for councils as they would no longer have to deduct VAT from certain leisure services income streams. In order to evaluate the impact on both options, work has been undertaken by VAT Consultants which indicates that for the transform in house option, this would likely breach the limits set to govern VAT recovery in the council. By way of illustration and based on the Council's planned activities for 2017/18 the estimated impact was £614,000. Whilst mitigations could be brought about delaying capital expenditure on leisure services this would place restrictions around when investment could be carried out which would impede the delivery of the business plan.

Staffing and Workforce

- 6.6 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. Engagement is underpinned by organisational development, building on what is already embedded and developing this to ensure that services are transformed into solutions, that hearts and minds embrace its recommendations. Thus turning the rhetoric into reality, developing a positive and proactive healthy culture aligned to business acumen and seeing new opportunities in everything the organisation does.
- 6.7 Staff are our most valuable asset. Employees come first, and the ethos is that taking care of employees means they in turn, take care of customers. The process has engaged with, listened to and enabled staff to contribute to defining future mission and purpose and identifying areas of competitive advantage.
- 6.8 Over the past 30 months, employees have remained relatively optimistic about the prospect of change. 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

- 6.9 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.

One-off ‘start-up’ costs

- 6.10 The Council will incur costs during the setup of and initial transition to the ADM model. These are projected to be in the region of £155k as shown in table 3 and in the recommendations for expenditure in areas such as set up costs, legal costs, media, website and marketing. The financial and legal costs relate to the employment of Solicitors and Financial Advisors to assist with the legal set up of the ADM. Additional marketing support and branding will be required prior to the set up to ensure the ADM will be able to respond commercially from the outset. Additional HR support will be needed to guide MCC through the TUPE process and the corporate governance costs relate to the process of establishing and training the Boards. The start-up fund will be drawn from the Priority Investment Reserve.

Table 3: One Off Costs

One Off Costs	Option 2	Option
	Transform in House	3 ADM
	Amount £000's	Amount £000's
Financial Support and Legal Advisors	30	75
Marketing, Media, Website, Branding	15	30
Recruitment / Hr Advice	0	30
Corporate Governance Costs	0	20
Total	45	155

7. SAFEGUARDING IMPLICATIONS

- 7.1 The new entity/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. There will be an appointed Safeguarding Lead Officer for the ADM and safeguarding will be a standing item on all meeting agendas across the organisation. The ADM workforce will attend appropriate training to continue to build its strong credentials within this area. The ADM would also complete SAFE audits with continued support by the MCC safeguarding team to ensure all aspects are covered and have a robust reporting system for any concerns that are raised or identified on site. All of the above practices will continue to be central to all services and remain everybody's responsibility.

8. 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
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	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
	mtgs specifically geared to 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	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
Joint Select Committee on 15 January 2018	As below	As below

Joint Select Committee Minute – 15th January 2018

Future Monmouthshire: Preferred Delivery Model for Tourism, Leisure, Culture and Youth Services

Context:

To receive a presentation and scrutinise the preferred option for the future of Tourism, Leisure, Culture and Youth Services (TLCY) and to undertake pre-decision scrutiny of the evidence base and business case to support the preferred option.

Key Issues:

In considering the need of the future delivery model of Tourism, Leisure, Culture and Youth Services (TLCY) the following options had been thoroughly researched and considered:

- a) Delivery Option One: Do Nothing.
- b) Delivery Option Two: Transform the Services 'in house'.
- c) Delivery Option Three: Move the Services into an Alternative Delivery Model (ADM).
- d) Delivery Option Four: (a) Outsource the services to a private sector operator or (b) existing Charitable Trust.

Member Scrutiny:

- The impact of VAT changes would breach the partial exemption calculation in the sum of £200,000, but the Authority would be required to repay a higher amount. The Authority would need to be mindful when undertaking its investment which would limit the Authority when it could make potential changes. Monmouthshire's VAT advisers have stated that it does seriously breach Monmouthshire's partial exemption calculation and the recommendation would be that the ADM would be the preferred alternative.
- In response to a question raised regarding commercial failure, it was noted that failure does occur in commercial ventures, the differentiating factor is how the steps are taken to convert this to success.

- These service areas have been one of the top contributors to the Medium Term Financial Plan (MTFP).
- The ADM will be customer focussed with the citizen being placed at the centre of the service being provided. Initially there will be a period of consolidation followed by providing sustainability and optimising performance. Each building will require significant investment to make the customer experience better.
- The Head of Tourism Leisure, Culture & Youth is the chair of the region for leisure and sports development and works collaboratively with nearby local Authorities. The sharing of resources is a good opportunity.
- With regard to the Service Level Agreements (SLAs) in schools, a productive meeting had been held with the four head teachers and the Chief Officer for Children and Young People. All agreed that there was a need to understand the operational management of the sites. Schools have an opportunity to generate income and will continue to do so.
- It was a financial consideration for removing Events Management from the ADM. One of the main considerations was that if we went outside the Authority the VAT for the artists and infrastructure would have to be paid. The ADM would not be best placed to host major events due to the financial aspects required up front in order to undertake this type of work. However, the ADM will still hold community events.
- Clydach Ironworks and similar sites require development. It was noted that the countryside team has been looking at these sites with a view to looking to work with partners to establish sustainable development of these heritage sites.
- In response to a question regarding VAT at events, it was noted that HMRC has made a ruling regarding cultural events in which a VAT exemption will apply. However, HMRC does not class a fireworks display as a cultural activity.
- In the early stages of the ADM the residual impact to the Council will be mitigated through continuity of relationships through agreements to continue operating back office services to the ADM. For example, there will be a need to be mechanisms in place to pay staff, suppliers and collect income. In time, the ADM could review this process.
- £4.4 million maintenance backlog – priorities remain around ensuring that the buildings are safe to use and the Authority is spending money to maintain these buildings. The current strategy is the correct strategy for the amount of funding currently available. In order to solve the backlog issues, this will only arise from new ideas and new investment.
- Business expertise is important.
- Partnership working will be undertaken.
- With regard to addressing grants and income streams, an officer is in post with the correct qualifications and is working with the teams with a view to identifying opportunities to generate income.
- When the decision is made regarding the future of the ADM, a coherent communication strategy will be formulated.

- In response to a question of accountability with regard to the success of the ADM, it was noted that there would be accountability at Council level, the Teckal Board, and the ADM Board, when established.
- It was noted that Mounton House School has a relatively new gymnasium, adequate parking and is out of town. It would be a good location in which to hold junior league sporting events. The school is used by other authorities to hold sporting events. Work is currently ongoing on the review of Additional Learning Needs.
- Ongoing knowledge transfer will be required to ensure that the Authority learns from the success of the ADM and internalises this knowledge within the Authority.
- In terms of financial information for the new organisation, it is critical. The ADM will be looking to re-arrange its cost centre structure and be set up to run like a business. There will be service level agreements with the Authority regarding back office staff, with a view to monitoring and regulating costs.

Committee's Conclusion:

- **Difficult decisions will have to be made to ensure the sustainability of discretionary services.**
- **The Committee discussed commercial risk / success and failure and it is critical that the Authority learns from previous mistakes.**
- **Residents need to be consulted and be the focal point of the new model.**
- **Ensure sustainability and resilience of the services and ensure performance is optimised.**
- **In the early stages there is a need to shape the commercial culture using data to drive evidence based change and upgrading some of the assets through managed maintenance.**
- **More work is required in terms of staffing capacity and to ensure that the correct expertise is in place. However, the ADM is starting from a very sound base with expertise in house regarding external investment.**
- **Various options have been explored including a regional model.**
- **The Authority's environmental and heritage capital needs to be protected for future generations.**
- **More work is required with regard to Service Level Agreements (SLAs).**
- **Implementation and delivery of the ADM will be crucial.**
- **Further work is required around governance to ensure maximum accountability.**

It was proposed and seconded that Cabinet considers option 3, to move the Services into an Alternative Delivery Model (ADM).

Upon being put to the vote the following votes were recorded:

In favour of the proposal - 10
Against the proposal - 0
Abstentions - 2

The proposition was carried.

We recommended that Cabinet considers option 3, to move the Services into an Alternative Delivery Model (ADM).

9. BACKGROUND PAPERS

Appendix A – Full Business Case

Appendix B – Transitional Business Plan

Appendix C – Future Generations Evaluation

Appendix D – Additional questions for consideration and response by SLT and Finance Colleagues

Appendix E – Commentary on Board Structure and Make-up (Anthony Collins paper)

Appendix F – Trade Union Statement

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:

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Title of Report:	Future of TLCY
Date decision was made:	29th January 2018
Report Author:	Kellie Beirne

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 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 October 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 October 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 however the fine detail and additional working still need to be considered. As the paper stands the decision has two options – the recommended option of ADM will mean a set up cost/expenditure of £155k. 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

FINAL BUSINESS CASE

Proposed New Delivery Option for Monmouthshire County Council's Tourism, Leisure, Cultural and Youth Services



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Glossary

The following abbreviations have been used in this report

The Council	Monmouthshire County Council
MCC	Monmouthshire County Council
TLCY	Tourism, Leisure, Cultural and Youth Services
ADM	Alternative Delivery Model (as recommended by Anthony Collins)
SOC	Strategic Outline Case
OBC	Outline Business Case
FBC	Final Business Case
CIC	Community Interest Company
CLG	Company Limited by Guarantee
CLS	Company limited by Shares
CIO	Charitable Incorporated Organisation
NNDR	National Non-Domestic Rates
SLA	Service Level Agreement
TUPE	Transfer of Undertakings (Protection of Employment)
HMRC	HM Revenue and Customs
LATCO	Local Authority Trading Company
KPIs	Key Performance Indicators
GI	Green Infrastructure
MTFP	Medium Term Financial Plan
GVA	Gross Value Added
NPV	Net Present Value
NPDO	Non-profit distributing organisation
ONS	Office of National Statistics
FTE	Full time Equivalent

Executive Summary

This Final Business Case (FBC) has been developed to inform and enable a decision by Monmouthshire County Council (MCC), on the future delivery of Tourism, Leisure, Cultural and Youth Services (TLCY).

The main purpose of the FBC is to revisit the case for change and the preferred way forward identified in both the Strategic Outline Case (SOC) and the Outline Business Case (OBC); establish the option which optimises the most appropriate fit for MCC and a model that demonstrates sustainable delivery of the broad range of services in scope, value for money and affordability. The FBC explains the background to the proposal and sets out the Strategic, Financial, Economic, Commercial and Management case in support of the proposal. The proposed legal structure and financial case has also been subject to independent professional assurance.

Set out below are the key conclusions from the business case which are supported by the detailed findings in the FBC and supporting appendices. In summary, this FBC identifies the key opportunities available through the establishment of an alternative service delivery model which would otherwise not be available to the Council within its existing service delivery structure.

Key Conclusions

- Leisure, Outdoor Education, Countryside, Youth, Attractions, Cultural, Museum and Tourism services, run as a family of services and rely upon one another for promotion, support and optimal operation. As a collective, they help position the county as a great place in which to live, work, play and visit. They also play a significant part in place-shaping, preventing demand that would normally end up requiring intervention by costly statutory services and all make a significant contribution to the social and economic health of the county.
- By aligning to Public Service Boards and Well-being plans, the ADM will play a significant role in building sustainable and resilient communities, reducing inequalities and supporting vulnerable people. It will respond to the challenges and objectives of:-
 - Preparing children and young people for the best possible start in life
 - Responding to the challenges associated with demographic change
 - Protect and enhance the resilience of our natural environment
 - Develop opportunities for communities and businesses to be part of an economically and well -connected county.
- The preferred option for these valued services is to establish a form of group company structure including a local authority owned and controlled company, a charity and a trading company in order to optimise the available resources, trading opportunities and investment potential. This preferred solution will enable the continued delivery of local services and allow necessary investment to sustain and grow the service offer available. The Council will still be able to deliver its strategic vision through its grant and contractual arrangements and importantly its Board participation.

- The proposed operating model sets the best financial conditions which enables the continued delivery of services within a restricted financial envelope without any rationalisation by the Council. The protection from inflationary increases and the requirement for the operating model to develop new income sources could over a five year period save the Council £1.505m (section 5.5).
- The preferred option will enable teams to thrive, learn and grow and continue to provide valuable local services. It is essential to empower the team to lead and reduce bureaucracy, as often, they have the answers to improved efficient delivery and new ideas – ensuring we make the top line as big a priority as the bottom line.
- Workforce development will be key to ensuring that staff within the ADM excel at customer service, the behaviours and attitudes that underpin this will be fully engrained into their organisational culture. It will be essential that employees receive access to both job based training as well as skill development opportunities. Being part of a unified team will enable peer motivation, coaching and enable increased performance, whilst giving employees “permission” to go that extra mile to make customers happy, empowering them to do what they need to do to meet the organisation’s vision.
- There may be greater access to finance in capital markets for growth and investment which is neither available nor affordable to the Council. Only the Alternative Delivery Model (ADM) can deliver new income from charitable sources.
- The ability to trade opens up commercial opportunities which should reduce the Council’s direct contribution over time. Assets included within the scope of this report currently has a maintenance backlog of £4.4m which indicates there is a significant requirement for investment. The ability to access and service capital requirements is a key requirement in sustaining service delivery and avoiding a declining asset base.
- The ADM will be able to respond far more quickly to market conditions as the organisation will be have a commercial focus better able to respond to opportunities. The Transform in House model will have limited incentive to provide any additional services or innovation. The ADM would be set up specifically to explore new and additional services through innovation and enterprise.
- The Transform in House and ADM model can deliver added social value. However, the ADM can deliver more added social value (through a closer working relationship with communities, freedom to act in new ways and higher motivation of staff) than the in house model.
- Both models will be expected to deliver savings as specified by the Council - so they are broadly the same on this criteria; all the models are also required to provide the service outcomes as at present.
- Both the ADM and Transform in House options involve set up costs - these are small compared to the long term benefits and can be effectively paid back from increased new income and funding.

For the purpose of annual comparisons within this Business Case, the model assumes a 1st April 2018 start date. The actual date is likely to be 1st July 2018 and is subject to critical path items to the timetable being met and the issues raised in here being agreed or finalised.

Strategic Case for Change

The Council is facing significant challenges with an ageing population, increasing levels of obesity and inactivity, all of which are increasing the financial and demands on both Education and Social Services. The value of a positive first 1,000 days of a child's life has significant correlation between achievement and intervention levels in later life. Physical inactivity is the fourth leading cause of ill health in the UK and spending on the NHS is recorded at £1,000 per second on dealing with preventable ill health.

The Council has recognised that access to local services is one of its priorities however it also understands that under the current financial environment, delivery of these services is becoming more challenging. A more commercial approach is required and the need to balance the need for local delivered services with a more efficient delivery model.

These services are the dominant providers of a whole range of community culture, sports and leisure facilities, from outdoor education, youth, museums and attractions, tourism, country parks to rights of way. Increasingly these services are seeking to achieve wider objectives and prevention of ill health, social isolation and mental health issues and focusing on the wellbeing of their local community. The Health and Wellbeing role and the encouragement of physical activity are built around common objectives requiring a fresh approach to their delivery and funding. There are opportunities for enhancing and expanding the role of these services by combining the offer and taking advantage of a growing awareness for investment in tackling the causes of ill health and obesity rather than focusing on curing the long term effects of inactivity.

The Council is currently undertaking a transformational programme called Future Monmouthshire. There are a number of initiatives underpinning the programme, one of which is looking at the way services are provided within the authority and the alternative delivery models for services within Tourism, Leisure, Culture and Youth (TLCY).

The Council faces the challenge of a reducing budget. The Medium Term Financial Plan sets out the aim of saving a total of £19.992m by financial year 2021/22, or broadly 6% of its annual revenue budget. The provision of the services outlined in this FBC is viewed as a crucial aspect of this cost saving programme. The Council has recognised the need to review the model of service provision for TLCY services as there are a range of perceived advantages of alternative models, including:

- Focused body with clarity of outcomes;
- Independence and ability to diversify;
- Greater speed of decision-making;
- Increased access to other funding streams;
- Ability to react quickly to market forces;
- VAT and Non-Domestic Rates ("NNDR") savings;
- Commercial revenue growth;

- Improved financial performance; and
- Sustainability of service provision.

The review of the various models available allows these perceived advantages to be explored across a range of options and against appraisal criteria that reflect the Council's overall aims and objectives. The options were also assessed against their ability to meet the Council's four key priorities whilst also providing enhanced opportunities to:

- Increase flexibility and agility in responding to needs and change;
- Freedom to market and trade its services;
- Improve services through innovation and a culture of enterprise;
- Introduce lean processes that reduce duplication of effort and increase use of technology and self-service, making it easier for residents to access services and obtain information and advice;
- Empower and motivate staff thus raising productivity;
- Access funding and tax efficiencies currently outside the scope of the Council; and
- Offer higher levels of engagement and achieve economies through collaboration and partnership in line with the Wellbeing and Future Generations Act Wales.

In addition to this, MCC through its Future Monmouthshire plan is looking to be more entrepreneurial and business like and to be more focussed on outcomes rather than the mechanisms through which service delivery is organised. This opens up new possibilities for service design and delivery. In governance terms this represents an excellent opportunity for communities to have greater say and control in delivery of their services.

The ADM is the strategic preferred option because:

- It is in tune with Council priorities and will still allow Monmouthshire some ownership and influence over future direction;
- It is able to deliver a high level of public and social value;
- It will set the best financial conditions for the services, enable teams to thrive and grow and continue to provide locally delivered services by our trusted workforce;
- It will ensure a commercial drive which continues to return money either back to improve services or to reduce Council subsidy, both being as equally important;
- It will provide a sustainable footing for non-statutory high value services that prevent ill health and promote wellbeing taking demand from critical Council services;
- The services will retain a local distinctiveness; and
- It aligns with the values of Future Monmouthshire and key partners.

Economic Case

Identifying options and selecting the preferred option

The Council agreed in October 2016 the options to be considered for delivery of the services detailed in the OBC. These options were:

- Doing Nothing;
- Transforming the Services in House;
- Moving the Services into an Alternative Delivery Model; and

- Outsourcing the Services to a Third Party (either a private commercial operator or another third sector organisation).

The Council in March 2017 agreed only to progress two options to the FBC. These are:

- Option 2 - Transforming the Services in House; and
- Option 3 - Moving the Services into an Alternative Delivery Model.

The preferred option is by transfer of the services to an ADM.

Qualitative Evaluation

Each of the options were evaluated against a weighted range of criteria by a cross selection of both Officers and Members. The highest scoring option was the ADM.

Analysis of Costs

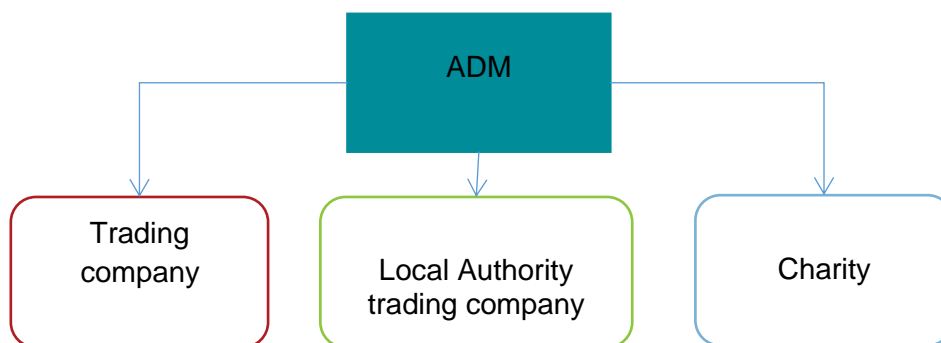
The analysis of the preferred option demonstrates that when compared against the Transform in House option, the ADM demonstrated the highest value for money. The financial benefit is the result of VAT and NNDR savings less the additional costs of running the ADM. These savings are unlocked with the selection of the ADM as the preferred delivery option.

In order to deliver these benefits the commercial issues and risks must be robustly managed and a clear financial position established by way of a business plan for the new entity.

Commercial Case

The strategic case identifies the preferred option as an ADM made up of a form of group company structure including a local authority “Teckal” controlled company, a charity and a trading company. This is supported by the economic case where the financial benefits of the ADM have been calculated. The recommended structure offers the protection and familiarity of the Companies Act, Charities legislation etc. supported by clear and established legal precedents over the rights and obligations placed on the members of the Board.

Figure 1: Proposed ADM Structure



Source – Anthony Collins Option Report

Board Structure

Any independent directors would be selected through a recruitment process. A formal strategic risk assessment and risk mitigation strategy would need to be regularly undertaken by the Board and its Chief Officer.

The recommended structure for the Charity is for a Board made up of nine trustees of which two will be appointed by the Council. The remaining trustees would be appointed following a recruitment exercise. The Boards of both the Teckal Company and the Trading Company will comprise three non-executive directors and two executive directors nominated by Monmouthshire County Council.

Procurement

The Council will need to demonstrate that it is complying with its procurement obligations. The most relevant potential procurement options open to the Council are:

- **Option A** - Form a Local Authority Trading Company (LATCO) as a Company Limited by Guarantee or Shares. There would not be a requirement to undergo a procurement exercise, if the Council ensured compliance with the 'Teckal' exemption;
- **Option B** - Procure the services in accordance with the new "light touch regime"; however the Council could only do this for an initial three year period and then the services would need to be re-tendered;
- **Option C** - Run a limited "public service mission organisation" competition, also referred to as a "social enterprise" competition; or
- **Option D** - Consider whether MCC would like to procure a partner to help leverage in some additional expertise or investment.

With the preferred option there would be no requirement to undergo a procurement exercise.

Commercial Arrangements

The main commercial arrangements between the Council and the ADM are likely to be as follows:

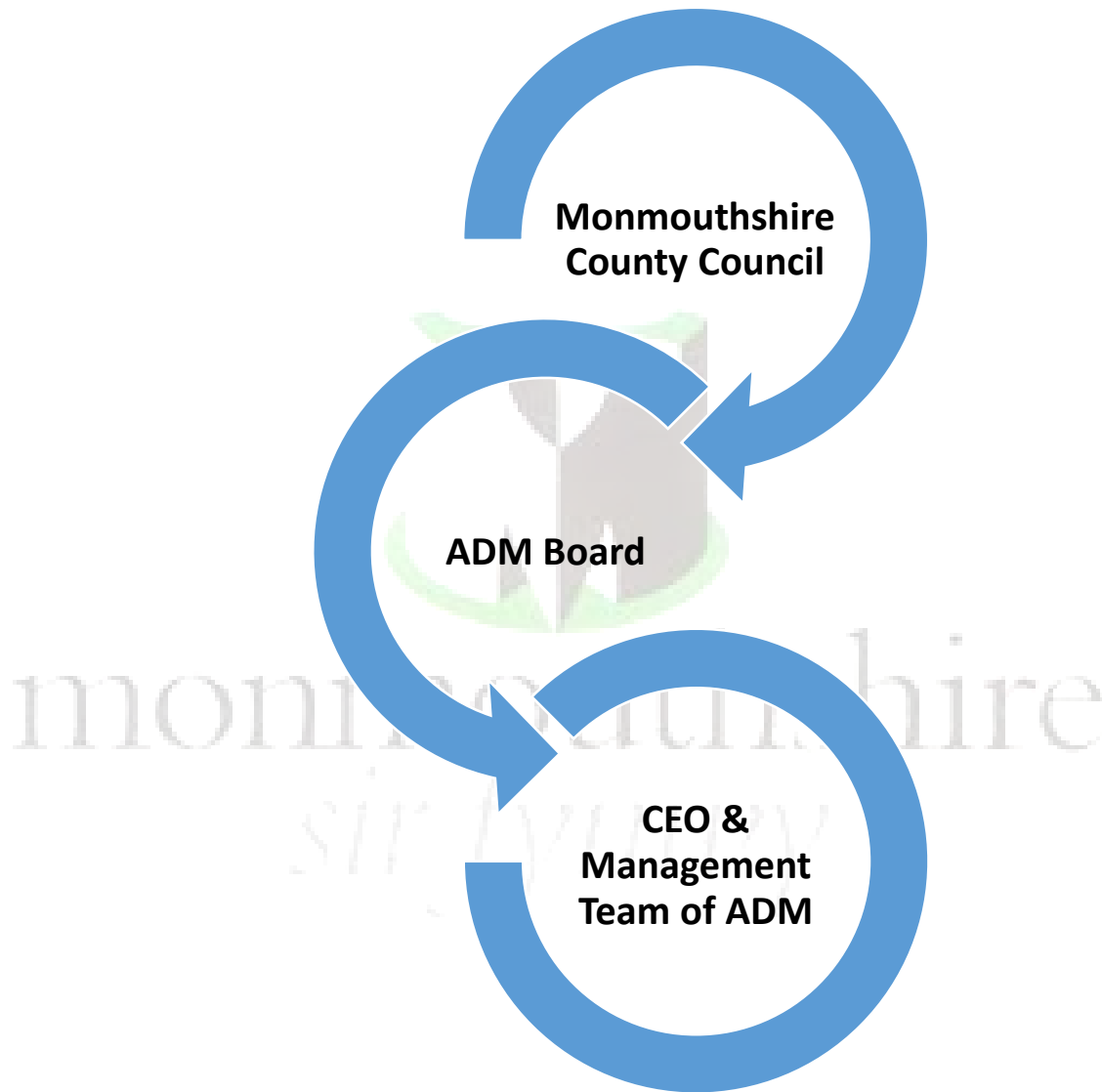
- Leasing Agreements – ownership of the building assets are to be retained by the Council and leased to the ADM;
- Support Services Agreement – the ADM will require a range of support and administration services which could be provided by the Council but the ADM may decide to receive this support from other providers; and
- Grant Agreement – this sets out the terms of the grant agreement and the services to be delivered by the ADM to the Council and includes a range of outcomes and performance obligations on the ADM.

The ADM will be required to operate in a commercial way within a competitive market and will need to be an efficient and effective organisation. It will need to maximise the opportunities for income generation. The ADM will need to focus on driving down its costs and developing

a regular programme of re-investment in the quality of provision from any surpluses generated. It will also need to establish a suitable reserve fund for the ADM.

Figure 2 demonstrates the likely type of arrangement that would exist between the Council, the ADM Board and the ADM Management Team.

Figure 2: Likely Arrangements



Financial Case

Savings from VAT and NNDR

The preferred option allows the ADM to realise financial savings. These savings are driven from the relief from NNDR.

As part of the ADM will have a charitable status, certain income streams that it generates will be exempt for VAT purposes and this provides VAT savings to the ADM. The Council is

currently required to charge VAT on the provision of these services, whereas the ADM will be able to treat the provision of the services as exempt for VAT purposes.

The savings arise where the price charged to customers remains unchanged and the ADM is able to retain the portion of income that the Council had to charge and account for as VAT. Tax Advisors have indicated that this saving will be mainly offset by the loss of VAT if a grant rather than a service contract was awarded to the ADM.

A recent ruling has indicated that the Authority may in future be able to secure this VAT but it has a significant impact on the authority's partial exemption calculation. Initial modelling by MCC's VAT advisors has indicated that the recent significant investment within TLCY's asset base would mean that the authority would breach its exemption limits. This has a significant impact and more than offsets any VAT benefit from the sporting VAT exemption.

For the NNDR savings the ADM must be a registered charity. The application will need to be submitted to the Charity Commission. They will need to confirm that the company meets the criteria to achieve charitable status subject to the articles of association being agreed by the Council. Once this has been approved, a charity number will be issued.

The estimate for potential NNDR savings for the first year are estimated to be £239k per annum.

Additional Costs

The Council will incur costs during the setup of and initial transition to the recommended model. These are projected to be £155k for expenditure in areas such as set up costs, legal costs, media, website and marketing.

Additionally, the new ADM will incur a range of recurring annual costs. Commonly, such costs can be in a range of £50k to £300k and have been estimated for the ADM to be £178k.

Additional Savings

In addition, MCC has highlighted additional savings as identified in this executive summary which represent a maximisation of the NNDR savings of £239k. It does exclude the potential to realise a level of operational savings driven from either an increase in revenues and/or a reduction in costs through the stream lining of existing processes. The successful track record of other similar organisations indicates that this is likely.

A five year business plan has been developed for the final business case which identifies new opportunities for investment, and income generation.

Annual Grant and Service Contract payable by the Council

Services within TLCY operate within a deficit funding model. The budget for 2017/18 is £4.224m. In order for the new model to be financially viable the Council will need to pay a management fee to the ADM in order to meet the deficit. The Council will fund the deficit by way of a grant with the charitable arm and a service contract with the Teckal Company.

The amount of the fee is dependent on a range of factors, such as the expected level of service provision, arrangements between the parties over the provision of functions by the Council by human resources, IT, Finance, Legal, procurement, communications, insurance and risk

management, performance management / continuous improvement and ADM income. Central support and other indirect costs for 2017/18 have been estimated at £0.970m although it is recognised that the allocations are only arbitrary. The level of the management fee is therefore the combination of the direct costs and support service costs.

The anticipation is to agree a funding model for an initial fixed year period at an amount to be negotiated. During this period the ADM must meet all of its inflation increases, thereby protecting MCC from those annual increases. At the end of the funding agreement, MCC may seek to reduce the contribution by a mutually agreed amount. Based upon a five year fixed agreement, the savings are estimated to be £0.715m or based on a reducing fee, the savings are estimated to be £1.505m as demonstrated in the following table.

Table 1 – Impact of Potential Funding Model

		Assuming 5 Year Fixed Contract			Assuming 5 Year Reducing Contract		
Baseline Position Stay the same	Year	Option 2 - Transform in House £000's	Option 3 - ADM £000's	Potential Savings £000's	Option 2 - Transform in House £000's	Option 3 - ADM £000's	Potential Savings £000's
4,518	1	4,574	4,446	128	4,574	4,446	128
4,614	2	4,601	4,446	155	4,601	4,271	330
4,674	3	4,562	4,446	116	4,562	4,267	295
4,736	4	4,598	4,446	152	4,598	4,248	350
4,798	5	4,610	4,446	164	4,610	4,208	402
23,340	Total	22,945	22,230	715	22,945	21,440	1,505

Source – Business Plan

Summary of financial savings

Table 2 provides a summary of the financial implications:

Table 2 - Summary Financial Implications

	Amount £'000
One off implications	
Transition costs incurred to set up ADM	155
Year 1 implications	
VAT, NNDR and management structure savings	239
Recurring costs incurred by the ADM	178

Source – FPM

The above analysis excludes the potential for further efficiency savings in the operating model other than NNDR savings.

Management Case

To ensure the successful delivery of the ADM, best practice suggests that a Shadow Board and Project Board would need to be established. The following key areas need to be considered:

- Transformation of service delivery;
- Establishment of work streams looking at property, engagement, service level agreements, company documentation, human resources, finance, branding and governance;
- Recruitment and training of Shadow Board and Senior Staffing;
- TUPE transfer process for go-live date; and
- The Charity Commission application process and HMRC engagement.

The project has to be supported by strong governance, with the Project Team reporting to the Shadow Board with decisions on further approval to be made by the Full Council. Effective risk management will need to be undertaken through monitoring and updating the risk register. A suitable contingency plan will need to be in place to continue with the current service model, should unforeseen issues delay the implementation of the ADM.

Throughout this process regular communication with elected members, employees and service users and unions has been and will continue to be undertaken.

Next Steps

If the council agrees the Final Business Case, the Council will then need to agree key documents, and prepare for the go-live date ensuring from the customer and staff perspective there is a high quality service in place. The timetable for this in order to achieve the delivery date is documented on the Transition and Delivery Plan as shown in Appendix V.

1. Introduction

This Final Business Case is based upon the principles of the five case model recommended by Welsh Government. The purpose of this document is to update the strategic and outline business case prepared in October 2016 and March 2017 and to capture the reasoning for initiating the project and to describe the resources required to deliver the project.

1.1 Approach to applying the five case model

The standard guidance requires business cases to be developed in 3 stages:

- ▶ Strategic outline case
- ▶ Outline business case
- ▶ Final business case

1.2 Structure of this report

The FBC is structured as follows:

- ▶ Strategic case – To confirm the strategic fit and business needs within the context of MCC and the Future Monmouthshire initiative.
- ▶ Economic case – To demonstrate the options that were identified, the appraisal process undertaken and to identify the preferred option.
- ▶ Commercial case – To set out the commercial implications in areas of corporate structure, governance, contractual arrangements and staffing considerations.
- ▶ Financial case – To set out the financial implications of the preferred option.
- ▶ Management case – To describe the approach to implementation of the preferred option, demonstrating the project is achievable and can be delivered successfully.

Where appropriate, further detail on specific areas is contained in the appendices.

2. Strategic Case

2.1 Introduction






This section updates the strategic context driving the need for MCC to review the model for the provision of the services outlined in the OBC. The section provides summary background information on the Council, and the services within scope for the ADM which forms part of the Future Monmouthshire programme work stream. This enables the strategic case for change to be established.

2.2 Monmouthshire County Council

Monmouthshire is a large and semi-rural county and is located in the south east of Wales and has population of over 92,000 across a land mass of 880 square kilometres. It is often perceived as leafy and this can sometimes mask differences within and between communities. Monmouthshire is made up of five clusters: Abergavenny and surrounding area; Monmouth and surrounding area; the heart of Monmouthshire which includes Usk and Raglan; Chepstow and the Lower Wye Valley and Severnside which includes Caldicot and Magor.

The following key highlights on Monmouthshire demographics are set out by way of context:

Table 3 - Key Demographics

 <p>Total Population</p>	<ul style="list-style-type: none">• 92,476
 <p>Gender breakdown</p>	<ul style="list-style-type: none">• 52% female• 48% male
 <p>% of age breakdown of Population</p>	<ul style="list-style-type: none">• 0 – 15 yrs 16.8% (below WNA)• 16 – 64 yrs 59.6%• 65+ yrs 23.7% (above WNA) <p>An ageing population is a feature of the UK and Wales but particularly of Monmouthshire. By 2039 the population aged 65 and over is projected to increase by 61% and, more significantly, the number of people aged 85 and over by 185%.</p>
 <p>Life Expectancy</p>	<p>Life expectancy for people in Monmouthshire is the highest in Wales, although there are variations with those living in the least deprived areas of the county expected to live longer than those in the most deprived areas.</p> <ul style="list-style-type: none">• 80.7 yrs Males• 84.2 yrs Females
 <p>Obesity statistics</p>	<ul style="list-style-type: none">• 53% of adults report being overweight or obese*• 21.1% of 4-5 year olds are reported as overweight or obese*



Health related



- 18% of population report as smokers*
- 27% of population report binge drinking at least once a week*
- 30% of adults report meeting the required exercise activity guidelines per week*
- 48.8% of children and young people take part in sport on three or more occasions per week*

* Source: Social Well-being data 14-15 from Wales Data Unit

The Council supports the local population by providing a range of statutory and non-statutory services. This direct cost of service provision was £3.424m in the year ended March 2017. This does not include the cost of central support costs or any other indirect costs. This will be discussed later in the document.

Table 4 - Annual Direct Cost of Services

Service	2016/17 Net Cost £000's
Leisure	929
Attractions	444
Arts	222
Youth*	563
Museums	360
Outdoor Education	-18
Tourism	215
Countryside	709
Total	3,424

Source – MCC Financial Ledger

* includes face to face counselling team

2.3 Background

Cabinet in October 2014 commissioned a critical piece of work called “Informing The Future of Cultural Services” to inform options and opportunities for the future of Monmouthshire County Council’s cultural assets and attractions. This was considered critical to do because:

- The continuing turbulent economic climate meant that revenue funding available for the service will decline, rendering it unviable in a short period of time;
- The size of the backlog of capital investment, maintenance and repair is significant and will require external support and contributions;

- Many of the main capital and revenue funding opportunities available are not currently obtainable by bodies such as councils;
- New business models are required that require specialist approaches and knowledge of markets and not-for-profit entities;
- Customer and community expectations are shifting and improvements and developments are rightly expected. Customers care less about who runs services and more about what is delivered and the quality of outcomes;
- The scale of social, economic and environmental change over the next 5-10 years will be such that planning needs to begin now in order for us to foresee new challenges and develop appropriate solutions to them;
- Potential exists for new funding opportunities; to attract expert help, support and guidance and to secure new investment and growth options; and,
- A new business strategy is required, along with a new guiding philosophy and belief-set in order to achieve success.

In carrying out the work on the cultural services review it became apparent that because museums and cultural / tourism attractions overlap and touch so many wider services and functions, it was difficult to consider them in isolation. In view of the links and inter-dependencies at a service-wide and local level, Leisure, Outdoor Education, Countryside, Youth, Attractions, Cultural, Museum and Tourism services, run as a family of services and rely upon one another for promotion, support and optimal operation. As a collective, they help position the county as a great place in which to live, work, play and visit. They also play a significant part in place-shaping, preventing demand that would normally end up requiring intervention by costly statutory services and all make a significant contribution to the social and economic health of the county.

It soon became apparent that not only did cultural services overlap many of the wider tourism and leisure services but analysis of experiences of other local authorities with new operating models demonstrated that critical mass in achieving economies of scale, cross subsidisation and mutual support are all critical success factors.

In October 2015, Cabinet approved the expansion of the review of Cultural Services to incorporate parallel and complementary services of Leisure, Events, Youth and Outdoor Learning and in December 2015; Anthony Collins Solicitors were subsequently appointed to undertake an independent options appraisal of the in-scope services.

The Strategic Outline Case was presented to Cabinet in October 2016 who agreed the recommendations to move to the next stage of developing a FBC for further consideration by Members and to continue the staff, community and service user consultation process. In December 2016, Senior Leadership Team advised that Cabinet should receive an outline business case rather than the full business case.

The Outline Business Case was presented to Council in March 2017 who agreed to reduce the four options and to concentrate on only two options for the Final Business Case; the Transform in House option or the Alternative Delivery Model option.

Local Authorities across the UK are facing unprecedented financial pressures. The Council's central grant from the Welsh Government is reducing and its current projections suggest that it needs to find £19.992m of savings between 2018/19 and 2021/22. The Council will therefore not be able to continue to meet the needs of its service users unless it makes significant changes to the way it delivers its services and takes some tough decisions to live within its means.

2.4 Services scope

The services are as follows:

- Leisure and Fitness;
- Outdoor Education;
- Countryside;
- Tourism, Marketing, Development and Visitor Information;
- Arts and Community Events;
- Youth Service;
- Management and Marketing of Visitor Attractions to include Caldicot Castle and Country Park, Tintern Old Station and Shire Hall, Monmouth; and
- Museums.

The above areas all represent a broad spectrum of facilities, services and programmes related to the provision of enhancing the health, fitness and personal wellbeing of the residents of Monmouthshire. A fuller description of these services is contained within Appendix C. A map showing the location of the assets are shown in Appendix D.

It makes sense to bring these services together as having undertaken a service assessment, it is clear there are distinct synergies amongst them, confirming the rationale that bringing them together as one entity would have been benefits as illustrated in Table 5.

Table 5 - Service Assessment

Service Objectives	Strengths & Opportunities	Weaknesses and Risks
Supporting an active and healthy Monmouthshire and a healthy lifestyle.	Excellent facilities with a wide range of activities & programmes.	Deteriorating condition of key sites & infrastructure and reducing staff capacity to address these issues.
Raising the profile of Monmouthshire regionally, nationally and internationally with a view to increasing visitor spend and extending the visitor season.	Professional industry qualified & knowledgeable staff with a customer focused approach.	Investment needed to keep visitor offer fresh & encourage return visits.

Service Objectives	Strengths & Opportunities	Weaknesses and Risks
A desire to become more financially sustainable by increasing visitor numbers, adding value to existing products and developing new products to attract new markets.	Proven ability to draw in funding with wider opportunities to develop joint funding bids with in scope Services to reduce duplication and maximise value against resource deployed.	Competition from neighbouring local authorities & private facilitators.
Providing learning experiences to enable young people to fulfil their potential as empowered individuals & members of communities.	Opportunities for coordinated & complementary marketing & new product development as part of a wider Monmouthshire Visitor Attractions & Museums Offer.	Pressure on budgets (expenditure), efficiency savings, inflated income targets.
Supporting volunteering to increase community participation levels and enhance service delivery.	Opportunities for further exploration of commercial concessions & partnerships & additional complementary services to enhance income streams.	Local Authority political & decision making processes can hamper innovation & creativity.

Source – Anthony Collins Options Report

2.4.1 Leisure and fitness

Our Purpose is to provide clean, friendly, accessible facilities and services for all our customers. Our Vision is that our facilities and activities are designed to enhance the quality of people's lives and improve the health of the communities that we serve.

2.4.2 Attractions

2.4.2.1 Caldicot Castle and Country Park

Our purpose is to provide a popular destination for school visits, family occasions such as weddings and private parties, caravan rallies, ghost walks, re-enactment and specialist themed weekends and memorable red letter event days as well as hosting large concerts.

The vision for the Castle in the Park is to be recognised as a premier castle heritage destination providing a strong focus for engaging with the local community and for visitors to South East Wales. We will encourage greater involvement and ownership through improved access, allowing the development of recreation, interpretation and education for all.

2.4.2.2 Shire Hall

Our purpose is to provide a high quality venue and other services to a wide range of people, including schoolchildren, community groups, tourists, wedding parties, art exhibitors and commercial business. We focus particularly on an extremely high standard of customer care.

Our vision (Helping to create wonderful memories) is to enable our visitors, both local and from further afield to connect with our rich history and explore our beautiful

building. We strive to ensure that, whatever the occasion, our guests' experience is as special, memorable and impressive as possible.

2.4.2.3 Old Station

Our purpose is to provide the best possible customer focussed, accessible tourist attraction while striving to generate economic and social benefits for the local community and also to the visitors to Monmouthshire.

Our vision is to successfully create a connection with our customers and employees as many may stay loyal for life, this will lead to giving us a chance to increase overall profitability while building a solid foundation.

2.4.3 Outdoor Education

Our purpose is to provide a high quality, cost efficient outdoor education and adventure activities across SE Wales and beyond.

Our vision is that our facilities and activities are designed to enhance the quality of people's lives and improve the well-being of the communities that we serve.

2.4.4 Green Infrastructure & Countryside

Our purpose is to make Monmouthshire a green and healthy place to live, work and visit, through a well-connected and accessible network of green and blue spaces which embrace our unique and special landscape and rich diversity of species and habitats, or put more succinctly "to support resilient & active environments for all".

Our vision is to enable active lifestyles and to work with others to maintain and enhance a living natural environment with healthy functioning ecosystems that supports social, economic and ecological resilience.

2.4.5 Tourism, Marketing, Development and Visitor Information

Our purpose is to increase the competitiveness of Monmouthshire as a year round sustainable tourism destination to grow the economic, environmental and social contribution of Monmouthshire's visitor economy.

Our vision is to achieve a strategically driven and coordinated approach to destination development, management and marketing to increase Monmouthshire's contribution to the regional and national visitor economy of Wales.

2.4.6 Community Events

Our purpose is to bring people together to enjoy themselves, to show off our Monmouthshire's most-loved assets and to generate income to invest in our county. We fuel ourselves on ambition and collaboration.

Our vision over the next couple of years is to position our organisation to actively introduce new events which complement the cultural assets of the county and support our county's current portfolio of events to grow and be sustainable - it's our collective aim to promote the profile of Monmouthshire to regional, national and international visitors.

2.4.7 Youth

Our purpose is to enable young people to develop holistically, working with them to facilitate their personal, social and educational development, to enable them to develop their voice, influence and place in society, and to make informed choices to reach their full potential.

Our vision is to lead the way, working collaboratively with youth support services to increase the youth offer to young people in Monmouthshire.

2.4.8 Museums

Our purpose is to promote well-being by making connections and encounters, providing experiences that are enjoyable, educational and lead to transformative change helping to create a happier society and stronger communities.

Our vision is that to be a dynamic museum service that plays a revitalising role in Monmouthshire's communities, act as agents of social change and promotes good and active citizenship. We look to connect the past with the present to inform and shape the future.

2.4.9 Business Success through Collaboration

Creating a new model of opportunity for the services will enable them to sustain and develop the good work that has already been achieved. As well as leading to significant benefits to the Council and the county, a new organisation will be in a strong position to promote healthier lives, to create inspirational experiences and to promote the vibrancy of the county as a great place to be. Bringing together the identified services will develop a progressive vision as an independent partnership involving and inspiring people, promoting and enhancing the positive benefits of leisure, cultural and community services in terms of health and well-being, learning, community development, creativity, social and recreational opportunities.

A thriving and progressive new delivery model will support local business, the visitor economy, community health and wellbeing, directly contributing to the Council's vision of resilient, sustainable communities. Our collective vision is of healthier, happier, fitter future generation – where obesity will not be harming children and limiting the wellbeing and health of future generations in Monmouthshire. Physical inactivity is the 4th leading cause of ill health in the UK – we will be enabled to galvanise our services into local communities to ensure we create more opportunities for service users and to reduce the likelihood of future illnesses thus playing a preventative role in these escalating to other statutory services.

Participation in sport reduces anti-social behaviour by preventing boredom, teaching life skills and diverting young people away from crime. We currently offer one night a week to a group of 70+ young people through shared delivery by leisure and youth service. We will be able to extend this offer throughout each town and increase service involvement to ensure our younger community members are engaged in a positive way.

We will deliver best value for every pound invested in the new model; including generating investment opportunities for the development and improvement of cultural, leisure and community services. Through collaborative funding applications, we will be able to have an effective and coordinated approach to improve the overall diet, physical activity and healthy weight of our community members. For example, through Green Infrastructure, Leisure and Outdoor learning we will be able to promote more walking and cycling opportunities that leads to less car travel, safer more welcoming streets, increased social interaction, supports local business and improved environmental sustainability and resilience.

Through an extended collaboration with community partners, we will be able to increase our offer from which to deliver activities and resources which support inclusion, empowerment, lifelong learning, skills development and literacy. We will work to create the places where we live, work, learn and play to enable community members to make the healthy choice the easy choice.

2.5 Financial Position

In the year 2016/17 TLCY recorded a net deficit of £3.424m as shown in Table 6.

Table 6 – 2016/17 Net Direct Costs

	Leisure	Attractions	Arts & Events	Youth	Outdoor Education	Museums	Tourism & Country-side	Total
Income								
Grants		7	0	136	509	46	135	833
Other Income	3,141	284	241	10	474	68	141	4359
Total Income	3,141	291	241	146	983	114	276	5,192
Expenditure								
Employees	2,784	422	50	642	599	304	774	5575
Premises	507	116	2	28	106	82	19	860
Transport	4	7	6	18	55	1	23	114
Supplies & Services	660	177	404	20	201	87	184	1733
Third Party	115	15	1	0	3		200	334
Total Expenditure	4,070	737	463	708	964	474	1,200	8,616
Net Deficit	-929	-446	-222	-562	19	-360	-924	-3,424

Source – MCC Financial Ledger

In 2016/17 the combined services generated £5.192m in income and cost some £8.616m to run.

The Council, like a number of local authorities, wants to review alternative methods for providing TLCY Services to the local community. This focus is driven by the fiscal pressures that local government continues to face and the increased demands on resources. As such, there is a need to establish delivery models that can provide more sustainable services.

With combined direct costs of around £3.424m (2016/17) and approximately 136 Full time equivalent (FTE) staff, these Services have contributed over £1.65m of revenue savings and generated £17m of income over the last four years. Costs are also expected to increase in 2017/18 resulting in a projected overspend of 150k.

There are now no more efficiencies to be had within the existing services without significant investment and transformation. Given the current period of austerity, if these services are to remain in the Council, the implications are detailed in Table 7, demonstrating a significant gap between the total costs of the services and the Medium Term Financial Plan (MTFP) allocation. These total projected costs take account of the 2017/18 pressures and the impact of projected inflation.

Table 7 - TLCY Services Projected Funding Shortfall

Year	MTFP Allocation £000	Expected Net Cost £000	Funding Shortfall £000's
2018/19	4,316	4,518	202
2019/20	4,241	4,614	373
2020/21	4,210	4,674	464
2021/22	4,178	4,736	558
2022/23	4,143	4,798	655
Total	21,088	23,340	2,252

Source – MCC MTFP / Financial Ledger/ ONS (inflation data)

The MTFP is currently showing a shortfall of 6% over the next four year period and if this was to be applied proportionally to all Services would result in a further increase in the funding gap by 2022/23 to £908k.

The assets included within the scope of this report currently has a maintenance backlog of £4.4m which indicates there is a significant requirement for investment. The ability to access and service capital requirements is a key requirement in sustaining service delivery and avoiding a declining asset base. The current budgets do not allow for a planned replacement of vehicles and plant or to refresh equipment which has an impact on service delivery.

The Capital MTFP shows that the Future Schools project is the single biggest capital project for MCC for the next 4 years and funding for this programme relies heavily on utilising the capital receipts that are also due to be received in the next 2 years. This has meant that the Authority now has reduced flexibility to deal with any other capital pressures or take forward new projects.

2.6 Growth in Demand for the Services

However, declining budgets are just one of the challenges for the Council. Other challenges include demography, localism, the Well-being of Future Generations

(Wales) Act and inequality. Using demography as an example, life expectancies are rising across the country leading to an increased demand for public services. In Monmouthshire:

- The number of over 85 year olds will increase by 184% by 2036 yet the number of under 18s will decrease by 19% by 2036. This increased life expectancy will drive a greater complexity of need as older people are more likely to have medical conditions. And, with a decreasing number of younger residents there is likely to be a decrease in the potential for growth of the working age population, leading to a decrease in council tax income to pay for services.
- In addition both adult and childhood obesity is increasing in Wales, which will have long term impacts on quality of life placing further pressure on public services.

2.7 Requirements of the Well Being of Future Generations (Wales) Act 2015

The Well Being of Future Generations (Wales) Act 2015, introduced by the Minister for Communities and Tackling Poverty sets out a framework for Welsh Public Authorities requiring them to show how they are working towards well-being goals that will ensure the needs of the present are met without compromising the ability of future generations to meet their own needs. The Act puts in place seven well-being goals that public bodies must work to achieve and take into consideration across all their decision-making as detailed in Figure 3 that follows. As a direct result of the Act any plans for the future delivery of Services will need to ensure that that the seven well-being goals are addressed.

monmouthshire
sir fyny

Figure 3 - Well-Being of Future Generations (Wales) Act 2015



2.8 Rising Expectations of Service Users

Advances in customer services and technology also mean service users have higher expectations of public service and increasingly expect to:

- Interact with services 24/7 and access information and services through self-service platforms; make appointments for face to face meetings at a time and location convenient to them;
- Receive a highly personalised service that addresses them as an individual and involves them in decision making; and
- Experience a joined up service, both across Council services and between the Council and its partner organisations.

All of this means that service users will not be content with the Council's current service offer in the future. Although these advances will present opportunities for the Council

to use new technologies to meet people's needs more effectively there is a clearly a need to ensure that every aspect of the Services are fit for future purpose.

As part of engagement processes, we have conducted a recent service user 'What Matters' consultation. From the 1,200 responses received, these were the top 5 themes that mattered to service users:

- ✓ 28% - Staff: were approachable; knowledgeable; friendly and welcoming
- ✓ 24% - Accessibility: services were local; open regular and open to all
- ✓ 13% - Cleanliness: sites and facilities were clean; had good hygiene and standards
- ✓ 12% - Equipment: maintained; up to date; accessible for all and available
- ✓ 9% - Cost: prices are as low as possible; fair and worth the service receiving

2.9 How this Proposal will address the TLCY Challenge

The Council has already made a number of changes to address these challenges focussing on improving efficiency, effectiveness and value for money in the TLCY Services. For example:

- A successful 'Invest to Save' programme in Leisure Services whereby an investment of £250,000 in fitness suites lead to a return of £100,000 in the same year enabling on going and sustained growth in leisure memberships;
- Increasing commercial drive through innovation and enterprise whilst also increasing fitness levels, for example the introduction of the 'My Wellness' Cloud accounts;
- Optimising use of assets by broadening use such as offering visitor attractions as wedding venues and as concert venues;
- Developing new and existing partnerships such as working with the Aneurin Bevan Health Board by increasing participation in the National Exercise Referral scheme;
- Regular data and performance monitoring to measure success and inform business decisions leading to enhanced service delivery and customer benefits; and
- Innovation through better use of technology such as encouraging more service users to take up Direct Debit payments for services.

Over the last 4 years these changes have helped to deliver £1.65m of revenue savings and generated £17m of income, however the Council has approached the limit of savings that can be achieved. There is therefore a need to consider new ways to

deliver these Services whilst also ensuring that it continues to provide opportunities for local people to lead more active lifestyles.

In October 2015 Cabinet approved supplementary work to mobilise the TLCY Services within the context that any proposals would still ensure that it continued to address its four key priorities of **Education, Protecting Vulnerable People, Supporting Enterprise, Entrepreneurship and job creation, and maintaining locally accessible service**. Appendix A and B details how the Services currently deliver against the Council's priorities.

Any proposal for a new Service Delivery model would therefore need to ensure that it not only continues to meet the Council's priorities but also provides enhanced opportunities to:

- Access funding and tax efficiencies currently outside the scope of the Council;
- Freedom to market and trade its services;
- Increase flexibility and agility in responding to needs and change;
- Improve Services through innovation and a culture of enterprise;
- Introduce new processes that reduce duplication of effort and increase use of technology and self-service, making it easier for residents to access services and obtain information and advice;
- Empower and motivate staff thus raising productivity; and
- Offer higher levels of engagement through collaboration.

Cabinet also agreed this work would consider four delivery options which has subsequently been reduced to two delivery options which are:

- Transforming the Service in House; and
- Moving the Services into an Alternative Delivery Model.

The objectives of the proposal were to consider the right mix of Services to be included in the proposal; to identify the best Delivery Option applying the lessons learned throughout the development of the proposal. The proposal needs to identify the best possible delivery option to help the Council address the projected funding shortfall over the next four year period.

2.10 Access to Other Funding Streams

The Council is eligible to apply for capital and revenue grants from a variety of external organisations such as Sports Wales, National Resources Wales and the Heritage Lottery Fund. The ADM can also apply to these bodies, but in addition there are a number of new opportunities for grant funding that are not available to local authorities. This includes grants from Trusts and Foundations which could support the range of activities proposed to transfer to the ADM.

There is real potential for the ADM to draw down new sources of funding to support a range of projects and programmes as listed in Appendix E and to support the development of new partnerships, potentially with the third sector as well as supporting existing partnership arrangements.

2.11 Potential Savings and Commercial Opportunities

There are other channels from which new money might be generated:

- Sales of services to customers;
- Sales of merchandise;
- Cafes, food and coffee;
- Commercial tie ins and sponsorship;
- Contracts to provide services for other public bodies (schools, colleges, Welsh Government, police, NHS, etc.);
- Contracts to provide commercial services (e.g. professional services, training and consultancy);
- Membership schemes; and
- Individual donations.

1. Services which would benefit from being free to trade

- Leisure and Fitness – this will need a continuing subsidy, but has high potential to generate more of its income;
- Visitor Attractions (Caldicot Castle; Shire Hall; Old Station). These three services all require significant subsidy at present but would need to demonstrate that it could overcome barriers to generating new income in a very competitive marketplace; and
- Outdoor Education – already generating a small surplus annually from sales to schools, colleges and National Citizen Service (NCS).

These services should be freed up to develop as savvy enterprises, becoming even more dynamic and innovative. As they are competing in open commercial markets they would need to be able to structure themselves appropriately.

2. Services which help to create a positive and productive environment in Monmouthshire

- Countryside; and
- Tourism.

These services would need to become innovative, enterprising public services that are still reliant on the MCC grant but freed to find new ways to provide services, new partnerships and new sources of public funding.

3. Services which are provided direct to members of the public, where there is reasonable scope for attracting donations, contracts and grants but more limited scope for trading

- Youth Service.

This service would develop cultures which include elements of both 1 and 2. They may end up looking like value driven social enterprises, which still rely on grant support from MCC but develop new ways to involve stakeholders, donors and others to provide support.

Evidence from successful spinout services is overwhelming in emphasising the need for committed, effective leadership from the start of the process, by a team of people who want to take the new entity forward. This team needs to share a common vision and strong sense of ownership.

2.12 Strategic Case for Change

The Council has recognised the need to review the model of service provision for TLCY Services. There are a number of perceived advantages of alternative models, including:

- Greater speed of decision-making;
- Increased access to other funding streams;
- Ability to react quickly to market forces;
- Single focused body;
- VAT and National Non-Domestic Rates (“NNDR”) savings;
- Commercial revenue growth;
- Improved financial performance;
- Independence and ability to diversify;
- Sustainability of service provision; and
- Commercial empowerment for staff.

The review of the models of service provision for TLCY Services allows these perceived advantages to be explored across a range of options and against appraisal criteria that reflect the Council’s overall aims and objectives in its Corporate Plan and through the Future Monmouthshire transforming programme. This options appraisal forms the basis of the Economic Case.

2.13 Update Position

During the development process, Officers have visited a number of other Local Authority Alternative Delivery Models and witnessed first-hand the strategic advantages for both the respective Council’s and the ADM. These advantages have included the ability to recruit for and utilise specific skills which have added a different dimension to the commercial thinking of the ADMs, new and positive relationships with Council and other public sector services and the potential to work more closely with private sector partners in the pursuance of improved outcomes.

2.14 Conclusion

The main conclusions from the strategic case are that the ADM is the strategic preferred option because:

- It is in tune with Council priorities and will still allow Monmouthshire some ownership and influence over future direction;
- It will set the best financial conditions for the Services, enable teams to thrive and grow and continue to provide locally delivered services by our trusted workforce;

- It will ensure a commercial drive which continues to return money either back to improve services or to reduce Council subsidy, both being as equally important;
- It will provide a sustainable footing for non-statutory high value services that prevent ill health and promote wellbeing taking demand from critical Council services;
- The Services will retain a local distinctiveness;
- It aligns with the values of Future Monmouthshire and key partners;
- There is a significant funding shortfall for TLCY Services which is anticipated to increase to 655k by 2021/22 (table 7);
- The assets are suffering from a lack of investment and have a maintenance backlog valued at £4.4m (paragraph 2.5);
- Monmouthshire has a lack of capital capacity in order to invest in TLCY assets (paragraph 2.5); and
- A new model offers access to funding; savings and commercial opportunities (paragraph 2.10 and 2.11 and appendix E).



3. Economic Case

3.1 Introduction

The Strategic and OBC has demonstrated that there is an opportunity to review the model for the delivery of TLCY services which could help the Council deliver its objectives under the Future Monmouthshire transformational programme.

The purpose of the Economic Case is to select a preferred option for future delivery of TLCY Services. This assessment is informed by:

- The qualitative fit of these options compared against the Council's transformation objectives; and
- A cost-benefit analysis of the preferred option to demonstrating value for money.

3.2 Delivery Models

The OBC dated March 2017 identified an initial list of four strategic options for appraisal. Members have now agreed to progress only two options, options 2 and 3 as described in table 8. For the purpose of this FBC only these two options are now considered in more detail.

Table 8 - Delivery Options

Option	Description
Option 2 - Transforming the Service in House	The broad service delivery model remains the same however the Council would need to engage in a full service review to identify how the services could be delivered more efficiently and effectively to deliver the savings requirements.
Option 3 - Moving the Services into an Alternative Delivery Model	A group structure would be established to enable flexibility in the future should there be an appetite for community engagement and or service user ownership which could be delivered through a more co-operative or joint venture. In establishing its group structure the Council will need to ensure that the legal entities best serves its aims e.g., Company limited by shares, Company limited by guarantee, Community Benefit Society or Charitable Incorporated Organisation.

3.3 Advantages and Disadvantages of the Options

3.3.1 Option 2 – Transform in House

Advantages of transforming in House:

- The Council will have direct control over the strategic direction of the services;
- It is unlikely there would be any political or reputational impact resulting from changing the way the service operates;

- May result in further savings/income generation;
- The Council is experienced at delivering local services, although there will be changes arising from the full service review that can be managed within existing processes; and
- Some investment may be possible from the Council to underpin the development of new models.

Disadvantages of transforming in House:

- The savings generated through a service review are unlikely to meet the MTFP savings target in full given reductions in budgets that have already been experienced. This will likely require service reductions to meet any shortfall;
- There would be an inability to adapt to future spending pressures;
- Limited opportunity to improve the commercial offer and deliver an enhanced service due to funding constraints;
- Increased probability of reduced opening hours or price increases given the budgetary pressures;
- Charging (with some exceptions e.g. leisure) is unlikely to be popular with Monmouthshire residents;
- A shortfall in meeting the savings requirements may result in service reductions and consequent staff reductions. The lack of long term stability will impact upon staff morale and emotional wellbeing;
- Staff may be frustrated by a process which limits their capacity to innovate and develop new ways of working;
- Working within the existing confines of the Services and Council operations could mean that the level of service improvement is inhibited when compared with other models;
- The Council is limited in the sources of funds that it can access and in the amount and types of trading that it can carry out. This reduces the range of potential ways in which services might be developed and delivered in future; and
- Limited access to further or private sector funding.

3.3.2 Option 3 - Establish the ADM

Advantages of a new ADM:

- Would operate in a less restricted environment than the Council;
- Would be able to establish more effective decision-making processes to respond to the dynamic environment in which it will operate, thus maximising opportunities to generate higher levels of income and meet the needs of the local community;
- A new ADM board and its employees would be specifically focussed on the delivery of TLCY services in the Monmouthshire and would come with excellent knowledge of the services and current business operations;
- Would as a charitable entity, be able to optimise NNDR, VAT and tax benefits thus maximising resources for delivering services;
- There would be an opportunity for increased community involvement through representation on a new ADM board, targeting individuals who are not only committed to improving health and wellbeing in the area but also who have specialist skills and expertise to add real value to the alternative delivery model. Key skills would include finance, property, human resources, health and education;

- There would be an opportunity for the Council to be represented on the Charitable Board of the ADM of up to 20%. Members would be represented on the boards of the Teckal company and trading company (both wholly owned by MCC);
- Staff would be empowered through their ability to have a greater role in the management and strategic direction of the ADM, operating with commercial management whilst retaining social objectives;
- The Council would be the commissioner of the service and would retain strategic control defining the strategic objectives and outputs for a new ADM and monitoring its delivery of those outcomes;
- A new ADM could be developed for future expansion into the operation of other facilities and services on behalf of Monmouthshire and/or services on behalf of other local authorities;
- A new ADM would be able to access sources of borrowing and funding created specifically for not for profit distributing organisations including those that are charitable;
- Surpluses generated by the ADM would be ring-fenced for reinvestment in TLCY services, the details of which would be controlled through a management agreement;
- Opportunities to maximise gift aid as a charitable organisation;
- Low risk option with many local authorities having a proven track record in delivering high quality and affordable leisure services;
- There is the opportunity to fix funding (this could be on a reducing basis) for an agreed period, with an opportunity to re-negotiate funding at agreed intervals in the annual service plan to continuously prioritise the services to the needs of the local community. This gives cost certainty to both parties and will deliver better outcomes; and
- Corporate support services currently provided by the Council to TLCY services could be reduced creating further savings to Monmouthshire or generate an additional surplus for the ADM to re-invest in services or increase its reserve for future sustainability. Some services may be purchased through a service level agreement/contract. However, where support services are substantially associated with the service these individuals could be TUPE transferred to the new ADM.

Disadvantages of a new ADM

- The Council would retain strategic control through a management agreement and limited representation on the Board but would no longer be directly responsible for the day to day delivery of the service;
- There would be set-up costs attributed to the formation of the ADM such as establishing a management/administration base, establishment of a trading reserve, associated professional fees and potentially additional staff costs, e.g. a Commercial Director, as well as marketing and rebranding costs;
- Support services could be purchased from other providers, although staff significantly attributed to the TLCY services would TUPE transfer and the remaining elements would need to be identified and budgets transferred; and
- An ADM would be considered as a single entity organisation and as such could be more susceptible to peaks and troughs in its operation.

3.4 Qualitative Evaluation Criteria

The preferred option for delivery is required to be aligned to the Council's objectives. These objectives as shown in Table 9 were used as the basis to form the qualitative criteria to assess each delivery option.

Table 9 - Qualitative Evaluation Criteria

Title	Objectives
Quality	The option will deliver the set quality standard agreed with stakeholders and has the ability to adapt and improve over time.
Operational Efficiencies	The option presents a clear opportunity for driving operational efficiencies through expertise of management, economies of scale and a commercial outlook.
Commerciality	The option provides enhanced long-term commercial viability for Culture and Leisure assets, based on skill sets, experience and sectorial understanding.
Community	The option provides opportunities to engage with and benefit the wider community.
Accountability and Governance	The option provides the Council and community with a degree of transparency, flexibility and comfort over the ongoing delivery of the services and the council's interest in the services.
Resources and Investment	The option provides for the effective utilisation of resources and investment to allow for the successful delivery of the services in sustainable manner. This included staff and managerial resources working together to realise the governing organisations goals and objectives.
Reputation & Political Considerations	The option is unlikely to present materially substantial objections from the Council's stakeholders.
Risk Management	The option provides opportunity to manage the relevant risks associated to service delivery.
Education	The option provides learning experiences to enable young people to fulfil their potential as empowered individuals & members of communities through the provision of an adequate Youth and Outdoor Education Service
Protecting Vulnerable People	The option supports an active and healthy Monmouthshire and a healthy lifestyle through the participation in physical activity, offers support to those most vulnerable NEET 16-24 year olds in order to sustain education, employment or training and reduce the potential for youth unemployment.
Supporting Enterprise, Entrepreneurship and job creation	This option raises the profile of Monmouthshire regionally, nationally and internationally with a view to increasing visitor spend and extending the visitor season. It seeks to create links with local businesses to provide opportunities to buy and sell services
Maintaining locally accessible services	Providing a full range of leisure services in Monmouthshire towns. Investing in buildings and green infrastructure to create quality spaces that will attract greater visitor numbers and improve financial viability.

Source: The criteria referenced above are contained within Appendix G

3.5 Delivery options assessment

3.5.1 Assessment criteria

Each of the options were assessed against the criteria described above. To capture the importance of each option to the Council, these options have been weighted and this is set out below:

Table 10 - Criteria Weighting

Option	Weighting (%)
Quality	20
Operational Efficiencies	15
Commerciality	15
Community	10
Accountability and Governance	5
Resources and Investment	5
Reputation & Political Considerations	5
Risk Management	5
Education	5
Protecting Vulnerable People	5
Supporting Enterprise, Entrepreneurship and job creation	5
Maintaining locally accessible services	5
Total	100

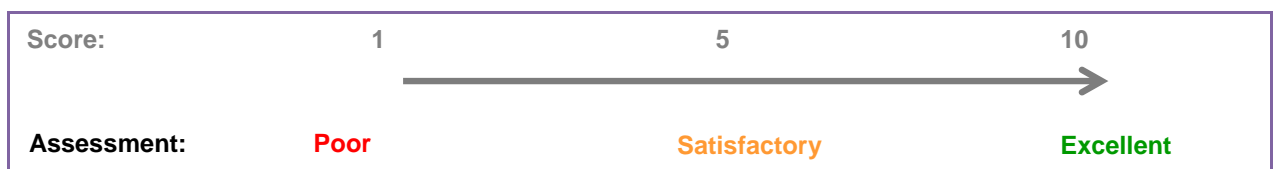
Source – Project Team

The weightings were agreed by the Project Team prior to the evaluation workshops.

3.5.2 Scoring Range

The options were scored against the criteria using the following scoring scale:

Figure 4 - Scoring Criteria



3.5.3 Appraisal Method

The options appraisal was undertaken by the Project Team at workshops in November and December 2016. The attendees had representation from across the following Council services:

- Staff from leisure, outdoor learning, youth and countryside services;
- Members of the Future Monmouthshire Team and MCC Officers;
- Senior Leadership team including Finance and Property; and
- Elected Members.

The scoring was completed in groups, with a full group discussion on each criteria across all 4 options, with a consensus score being taken. A detailed summary of this workshop is provided in Appendix F and G.

3.5.4 Delivery options evaluation summary

The table below summarises the assessment of the two chosen options against the qualitative criteria. It shows that the highest scoring is the ADM delivery option:

Table 11 - Qualitative Assessment Summary

		Option 2	Option 3
Title	Weigh- ting %	Transform Service in House	Moving the Services into an ADM
Quality	20	5.0	8.0
Operational Efficiencies	15	4.8	8.2
Commerciality	15	3.8	7.4
Community	10	6.0	7.8
Accountability and Governance	5	6.6	6.2
Resources and Investment	5	4.6	7.6
Reputation & Political Considerations	5	6.2	7.2
Risk Management	5	5.0	6.2
Education	5	6.0	8.0
Protection of vulnerable People	5	7.0	8.0
Supporting Enterprise	5	5.2	7.2
Maintaining Locally Accessible Services	5	5.8	7.6
Total score	100	66.0	89.4
Ranking		2	1

The preferred option, the ADM, scored 89.4 being 23.4 marks higher than the option of transforming the service in house. The preferred option is to move to an Alternative Delivery Model. The key points of the appraisal were:

The scoring matrix and accompanying papers created good discussions with participants and enable in depth exploration of each option against the criteria set.

Both Options 2 and 3 created the most discussion, with good reasons given that could warrant choosing either of these options. There is caution for option 2 in relation to sustainability in future years with continual reduced funding.

The summary of justification and commentary for these scores are set out in table 12. For full details and analysis of the workshop, refer to Appendix F and G.

3.5.5 Options appraisal workshop commentary highlights

Table 12 - Options Assessment Workshop Commentary

Criteria and weighting	Option 2: Transform in House	Option 3: Moving services to an Alternative Delivery Model
1. Quality (25%)	The services would require significant review to continue delivery in house to the same quality, which would result in either reduction or investment. Know business and structures already in place.	The organisation would be set up with a set of measurable objectives. This would allow the Council to have a degree of control over the quality. The flexibility and strategic focus by the organisation could allow an improvement in quality.
2. Operational Efficiencies (20%)	The Council currently has access to some economies of scale for items such as support services but there is acknowledgement that staff morale is already low from driving previous efficiencies.	This organisation would be able to buy in the expertise requirement to implement efficiencies. It would be able to continue to take advantage of the economies of scale available to the Council in areas such as support services.
3. Commerciality (20%)	This option is perceived as being able to provide a commercially focussed service but due to the size of the Council and competing priorities, it is unable to react to all opportunities. The ability to provide an enhanced service over time may be challenging.	The existing staff and expertise would build a strong foundation to the organisation. Able to supplement the team with the required expertise.
4. Community (10%)	Continued opportunity to engage with local community in a more cohesive approach; however would still reach the same cohort.	The outcomes were deemed to be similar to the current situation; however, there would be an increased focus due to the specific remit of the organisation.
5. Accountability and Governance (10%)	As services staying in house continues to allow for full transparency and accountability.	As it would be within the Council's group structure, there would be more visibility than the private sector options.
6. Resources and Investment (5%)	After transformation there is an ability to share resources and access capital. Services would do less well as cannot sustain current model.	There are efficiencies of using the structure which provide opportunities for re-investment. Downside is the Council will still need to fund the service deficit.

Criteria and weighting	Option 2: Transform in House	Option 3: Moving services to an Alternative Delivery Model
7. Reputation & Political Considerations (5%)	There would be limited impact to the general public.	A potential pressure from stakeholders as legal structure is not fully understood. More accepted position than the private contractors.
8. Risk Management (5%)	The risk still ultimately rests with the public sector.	Same as option 1, the risk still ultimately rests with the public sector.
9. Education (5%)	Transform in house will attempt to ensure learning programmes are available across venues and services. The services would maintain service position e.g. leisure, outdoor education, youth.	One of the key areas of ADM would be a learning and educational development. Some services more than others although all contribute to ensure that there is a coordinated approach.
10. Protecting Vulnerable People (5%)	The Council prioritises keeping people safe and is part of the All Wales Safeguarding policy – stays the same	The council prioritises keeping people safe so the ADM would need to agree the standards expected of the authority and comply. The Teckal services would be as existing MCC services now.
11. Supporting Enterprise, Entrepreneurship and job creation (5%)	Working with colleagues in Enterprise/MCC and business to promote a culture of growth.	Working with colleagues in Enterprise/MCC and business to promote a culture of growth and opportunity. The culture of permission and swift action is one of the major benefits of ADM models. Jobs could be created.
12. Maintaining locally accessible services (5%)	Attempt to further transform services through restructure and prioritise service offer	Services in Teckal would continue to deliver local services – all services as per in house transformation would prioritise service offer run by local board

Source: Options Appraisal Workshops

3.6 Analysis of Costs and Benefits

The outcome of the qualitative assessment of the options has highlighted a transfer to a new ADM as the preferred option. In this section an analysis of costs and savings has been undertaken for the two shortlisted options to consider the value for money of implementing the new delivery model. Costs and revenues are analysed further in the Financial Case.

3.6.1 Costs

The creation of the new ADM will result in additional running costs which will need to be taken into consideration when analysing against the transform in house model. These costs may not necessarily be greater than the full back office and management costs of the services in-house and it is possible that the running costs could be less than the current overheads of the services in the Council at present. The costs are based on Anthony Collins' experience of other ADMs and Leisure Trusts and are described overleaf.

Implementation Costs	
Option	Implications
Transform in house	Potential redundancy costs
Move to a new ADM	One off costs of 155k for further professional advice (legal, VAT and taxation), staff secondments, branding and marketing but excludes the cost of redundancies

Support Service Costs	
Option	Implications
Transform in house	No change
Move to a new ADM	TUPE transfer of staff and budgets. Any remaining services provided to the ADM would attract VAT so beneficial to the ADM to provide its own back office functions. Any specialist costs would need to be identified in the full business plan but would be expected as part of the culture of the ADM and would not involve any additional costs. The initial impact for MCC is estimated at 143k, with potentially a further 71k at the end of year 3 and £109k at year 5.

Management Fee & Profit Margins	
Option	Implications
Transform in house	None
Move to a new ADM	Improvement in the authority's partial exemption position. Improved trading position through operating the service in a more commercial manner. Profits would be retained within the county and applied to service sustainability and improvement.

Pensions	
Option	Implications
Transform in house	No change
Move to a new ADM	Would apply for admitted body status in order to provide the continuation of the pension scheme under TUPE transfer. An actuarial valuation would be needed to attribute a deficit prior to transfer

Capital investment	
Option	Implications
Transform in house	No change – limited capital resources and reducing planned and reactive maintenance budget
Move to a new ADM	Property Condition surveys have established the value of backlog maintenance required. Surpluses will be reinvested. Funding and management agreement will determine maintenance budgets

3.6.2 Benefits

The analysis considers two main areas of financial benefits – NNDR and VAT changes.

3.6.2.1 NNDR

The NNDR savings assume that part of the ADM will be made up of a registered charity and that the application for charitable status will be approved. The detailed NNDR savings are set out the financial case.

NNDR Relief	
Option	Implications
Transform in house	No relief as NNDR costs would remain constant
Move to a new ADM	Part of the model would include a body with charitable status and could attract discretionary relief

3.6.2.2 VAT

It is expected that part of the ADM will have charitable status and consequently certain income it generates will be exempt for VAT purposes under the VAT Sporting Services and Culture

Services exemptions, and this can provide VAT savings. The financial case details the approach to the calculation of VAT savings. More detailed guidance is contained within appendix J.

VAT Relief	
Option	Implications
Transform in house	No relief at present – Vat Consultants have indicated that if HMRC Ealing ruling was applied to current year, Leisure services would benefit by circa 250k however the authority would breach its partial exemption limits and would have to pay extra VAT of circa 620k. This results in a net cost to the authority of 370k.
Move to a new ADM	There could be an improvement on current trading assuming sport and cultural supplies are exempt however this would be reduced significantly through the awarding of a grant to cover the service deficit.

3.6.2.3 Operational Efficiency Savings

As part of moving to an ADM model, there is the potential to realise a level of operational savings driven from either an increase in revenues and /or a reduction in costs. This is based on the track record of other similar organisations. However, these savings are not guaranteed and at this stage of the business case process, have not yet been developed. For the purpose of this analysis to ensure a prudent result, no efficiency savings have been factored into the analysis.

Improved Operational Income	
Option	Implications
Transform in house	Scope for some small improvements by prioritising certain service areas over others
Move to a new ADM	Direct control and increased autonomy would improve operational income. Potential to tender for other local authority services

3.7 The Preferred Option

The options appraisal concluded that the ADM is the preferred option which will take the form of a group company structure including a local authority controlled company, a charity and a trading company. This was the result of qualitative assessment agreed with representatives of the Project Team. This qualitative result is supported by the financial analysis which yields a net financial benefit compared to the transform in house option. The key differences from the other options are noted as:

- The organisation having objectives which can be aligned to the Council;
- The organisation has a stronger ability to adapt to services requirements and customer feedback through the focus of the organisation;
- The Council maintains an element of visibility and governance over the organisation;
- The organisation has the ability to attract the correct skill sets to improve services going forward and potentially other sources of funding; and
- There is a strong net benefit from the setup of the ADM, which could be reinvested into the services and/or off-setting the management charge paid by the Council.

It should be noted that the preferred option was selected based on the qualitative data and supported by some financial benefits, in other words, the VAT and NNDR savings. It has taken into account some potential operation efficiencies or the potential for increased commercial return.

3.8 The ADM

In the UK, a significant number of local authorities have developed ADM's or Charitable Trusts for the management of their leisure and/or cultural services with the size, scale and detailed operation varying depending on each council's circumstances.

The majority of culture and leisure facilities require subsidy to a greater or lesser degree, so it is normal for local authorities to fund the operating deficit by way of a management charge which represents the cost of the ADM providing services on behalf of the Council. The Council retains control and ownership of the assets and, being the main funder, has continuing major influence over policy.

From an operational perspective, the ADM would deliver the services through the existing staff base that would transfer from the Council to the ADM under transfer on the basis of TUPE from the Council to the ADM.

3.9 Key Drivers

The key drivers for changing the current delivery model include:

- The ability to hire new skills and focus on the commerciality of the services available, allowing them to adapt and quality to improve going forward;
- The Council still maintains an element of oversight and the objectives are aligned to its objectives and those of the Well-being of Future Generations (Wales) Act;
- The potential ability to use savings for reinvestment into the services and assets; and
- The ability to generate new income streams or commercialise existing income streams to maximise income and offset against required savings.

3.10 Conclusion

The Conclusions for the Economic Case are as follows:

- The "transform in house" has not been selected as this option would not allow the full potential and opportunities to grow and develop these services;
- The preferred delivery option for the services associated with the TLCY assets is through an ADM (table 9). The model is structured in 3 parts;
 - Charity – this offers financial savings; allows access to funding; is a not for profit organisations as is seen as " non-commercial" – addresses council key concern
 - Teckal Company. – MCC would retains control over services but would allow some limited flexibility for commercial operation
 - Trading Company to take advantage of trading opportunities and reinvest profits back into the Charity through "gift aid";
- The financial benefit is the result of VAT and NNDR savings against the additional costs of running the ADM. These savings are unlocked with the selection of a charitable part of the ADM as the preferred delivery option;
- Long term sustainability of the model should be a key priority and that if a model is established simply to reap only the VAT and NNDR benefits with no reinvestment into the facilities do not achieve long term development and sustainability; and.
- There is a potential impact to the Authority of the ADM choosing to source its support services from elsewhere. The initial implications for the authority have been estimated at 143k with a further 71k at the end of year 3 and 109k at year 5.

4. Commercial Case

4.1 Introduction

The various options have been considered and it has been determined that a 'Teckal' Company, a Trading Company and a Charity is the preferred option for the vehicle to provide the services to the Council. The options and advantages and disadvantages are set out in appendix H. A number of different considerations regarding the future commercial and operating structure of the ADM have been considered. This section develops the analysis regarding the important commercial and operating considerations for the ADM.

The assessment has been informed by:

- A discussion regarding the ADM structure, governance and commercial arrangements;
- A description of the issues related to the provision for support services and repairs and maintenance arrangements; and
- Regulatory and staffing arrangements.

4.2 ADM Structure

4.2.1 Options

The key issues to consider on formation of the ADM are:

- The type of organisation to set up;
- The type of corporate structure to choose; and
- Registration and ongoing regulation formalities.

There are a number of different options typically considered for ADM's. The recommended options are listed and summarised below. More details are provided in Appendix H with an analysis of the benefits and disadvantages for each.

4.2.2 Company limited by shares (CLS)

The ADM would include a CLS which is the most common type of private company and is a frequently used vehicle for 'Teckal' companies. CLSs have a 'share capital' which shareholders are obliged to contribute to and in return they can receive a share of the profits based upon their shareholding. The liability of shareholders' is limited to their value of their shareholding and Directors are also protected providing they act in accordance with their Directors' duties.

CLSs are regulated by Companies House and subject to the Company Act 2006 and associated regulations.

4.2.3 Company limited by guarantee (CLG)

A CLG does not have to be charitable, but it is the most common structure usually employed when creating a new charity. The key features of this structure include:

- It is incorporated under the Companies Act 2006 without issuing shares but instead the member guarantees a sum of money in the event of insolvency;
- It gives the company, and its members, limited liability in respect of the debts and obligations of the company;

- The directors have duties and responsibilities under the Companies Acts and additional duties as trustees once the company is a registered charity; and
- It is regulated by both the Companies Act and the Charity Commission.

After incorporation, an application to Charity Commission will be made to obtain charitable status. Once the Charity is formed it would enter into a number of agreements with the Council including the Licences, the Service Agreement and the Support Services Agreement. The directors will have to comply with both the requirements of the Companies Act and Charity Commission.

4.2.6 Charitable Trading Subsidiary

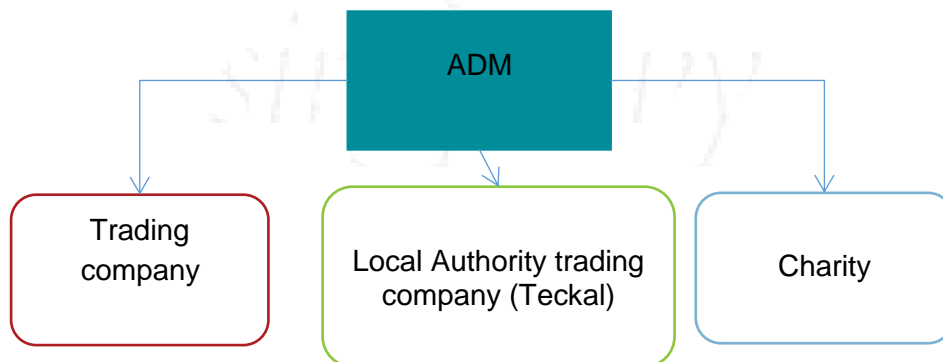
Irrespective of which option is chosen, it is anticipated that the Charity arm of the ADM will eventually require a Charitable Trading Subsidiary to undertake all non-primary purpose activities. These include all activities that do not fall squarely within the charitable objectives of the organisation (e.g. bar, café and rental of business spaces).

4.2.7 Summary

The review undertaken by Anthony Collins has recommended that the best option would be to establish a group structure comprising of a local authority 'Teckal' company, a separate trading company and a separate charity. The structure offers the protection and familiarity of the Companies Act, supported by clear and established legal precedents over the rights and obligations placed on the members of the Board.

An organisational structure that adopts this approach is defined in the following diagram. This is the model that is proposed in terms of this Final Business Case:

Figure 5 ADM Recommended Structure



4.3 Procurement Requirements

The law with regard to EU procurement, and its application to the proposed structure, is complex. One of the more significant areas of concern will be the Council's ability to demonstrate that it is complying with its procurement obligations. The recommended structure enables MCC to contract directly with its wholly owned Teckal Company without going through a procurement process and MCC can award a grant directly to the Charity. Procurement regulations and procurements routes were previously considered in the OBC and are now included within appendix W for information purposes.

4.3.1 The Grant Agreement

MCC would award a grant to the charitable arm of the ADM, which is not subject to procurement requirements. However, it is essential to ensure that it is a grant arrangement and not a de facto service contract, called by a different name. MCC will need to:

- Award the grant with specified outcomes rather than having more detailed service specifications and KPIs as would be the case with a services contract; and
- Ensure that clawback or repayment of the grant is an appropriate mechanism for any breach and withdrawal.

4.3.2 Award of Services

The Anthony Collins recommended proposed structure would not need to comply with procurement regulations as the Council can award contracts directly to its wholly owned Teckal company and can award a grant to the charitable organisation to provide services.

4.4 Governance

In simple terms Governance is a process which involves the right people making the right decisions based on the right evidence and advice and in full knowledge of all known risks, benefits and detriments, together with the right implementation processes.

- The right people – are those who are empowered to take such decisions either through regulation or delegated authority.
- The right decisions – are those made for the benefit of the organisation that the decision makers represent and one which they are empowered to make and one which is evidence based.
- The right evidence – are the ascertainable facts, their known consequences and due diligence undertaken on all the assembled evidence to ensure it is fit for purpose.
- The right implementation – are the right people undertaking the right roles and responsibilities, within the right timescales and with the right degree of oversight.

In practice, decision making is taken at many levels across an organisation and the governance framework has to be robust enough to enable the organisation to function effectively but with the right level of control and scrutiny in place to manage all the potential organisational risks.

The governance structures of each organisation will vary but there will be a focus on achieving key objectives or managing key risks; in the case of the public sector these can be mandated or regulated, in the voluntary sector it may be a moral or ethical objective and in the private sector primarily commercial.

Monmouthshire County Council currently has to demonstrate compliance with “The Good Governance Standard for Public Services” which focuses on the six core principles of good governance. These are;

- Focussing on the organisation’s purpose and on outcomes for citizens and service users;
- Performing effectively in clearly defined functions and roles;
- Promoting values for the whole organisation and demonstrating the values of good governance through behaviour;
- Taking informed, transparent decisions and managing risk;

- Developing the capacity and capability of the governing body to be effective; and
- Engaging stakeholders and making accountability real.

Governance is extremely important and has a number of strands. Effective governance can lead to improved services and greater accountability to users and other stakeholders. Governance will be influenced by the structure of the ADM; the Articles of Association will determine how the companies will be run and similarly, the charity must abide by charities law which regulate their activities. Members of the Council will be on the board of the ADM's, subject to their duties as a director (or trustee) of the company but also must be mindful of the key importance of the conflict of interest issues but this does and will create a strong link between the Council and the ADM.

The service specification agreed between the Council and the ADM would drive governance in terms of the requirement for compliance with its terms. The management and governance structure integral to the ADM itself needs to be a robust structure with clear reporting lines to facilitate the communication of key issues. An audit review of the required structure will be carried out during the implementation process.

In terms of the relationship between the Council and the ADM, how the ADM reports to the Council's governance structure will need to be established so that such issues as the business plan and periodic reports are submitted regularly to the Council. It is anticipated that the CEO will at least present an annual report to Council.

The governance and accountability for these arrangements will ensure that safe, sustainable services will continue to be provided to its communities and services users. Also, the new organisations will continue to be accountable to the Council and its communities for the provision of those Services and ultimately in assisting the Council to discharge its statutory duties. The required assurances and protections are to be embedded in a number of ways, mainly:

- Through an effective governance architecture for the new ADM;
- Through MCC's governance arrangements that it puts in place to enable it to continue to have a role as both facilitator and potential strategic partner to the ADM; and
- Through the legal contractual arrangements that the Council will put in place in respect of the provision of the Services.

However, the legal structure alone may not be enough to deliver the changed ethos and culture that such a radical transformation within the ADM may require. This would need to be embedded at the heart of how the ADM conducts itself and how it remains accountable through its governance arrangements. It is important not to underestimate the culture-shift that is necessary to successfully move from existing work practices where funding for work has generally been a 'given' to a more competitive environment. However, the transition will also provide opportunities for innovation, creativity and for doing things differently.

4.4.1 ADM Boards

The governance structure and framework that will be put in place should be focused on the delivery and safeguarding of the new organisations objectives. There should be sufficient scrutiny to ensure that the objectives have a high degree of being successfully attained.

Company Law requires the appointment of some statutory Directors and this will vary according to Articles, size and type of company. The number of Directors should however be a reflection of the company's objectives, risks and challenges. Company directors because they carry

statutory requirements are exposed to personal professional risk and their remuneration package usually reflects this.

Non-Executive Directors are not employees of the Company although may be remunerated. Their role is to provide independence and add value and critically are often appointed to roles where impartiality is necessary e.g. strategy development or risk management.

It will be vital to get a Board which has the right skills to be able to deliver the aims and objectives of the ADM and ultimately, their business plans. This would benefit from the injection of new entrepreneurial skills to:

- Spot the opportunities available and to take advantage of them; and
- Have change management skills – to help staff manage the transition from in-house provision to life in a new ADM.

Anthony Collins has prepared a paper on the Board structure, duties of directors and the suggested make-up of the Board. This paper is provided as a separate document to the overall business case.

Initially the Boards of both the Teckal Company and the Trading Company will comprise three non-executive directors and two executive directors nominated by Monmouthshire County Council. The Board could later decide to increase its numbers to also comprise other officers and independent non-executive directors. Anthony Collins have also made the following recommendations:

- Either Cabinet, or relevant Members with delegated authority, exercises the shareholder function, with appropriate support from officers;
- The Boards of the Teckal and local authority trading companies are made up of a mixture of officer directors and there may be a need to look externally for specific experience or expertise, independent non-executive directors. The Boards of the Teckal and trading companies can be identical; and
- If the Council decides that it will appoint any Members as directors of either the Teckal or trading companies or both, there should be sufficient other directors appointed to mean that, even if a Member director has a conflict of interest, a quorum is still possible for meetings and decisions can still be taken. Equally, if any Members are appointed then the Council will need to be confident that it can continue to take decisions effectively itself.

There are two options for a charitable company limited by guarantee, in terms of its membership and board:

- The charity's company members and its board of directors are the same people; or
- The charity's company members include the directors, but also other individual or corporate trustees.

If the Council chose to be a member of the charitable company (and therefore a trustee) then it would need to bear in mind the distinction between the Council and the Council as charity trustee and manage any conflicts of interest, as well as ensuring that in its capacity as trustee it acted in the best interests of the charity. The Council could choose instead to nominate trustees – officers or Members that would be members of the company and on the board of directors.

The significance of the charity's need to apply its objects is a need for greater independence than will be given to the Teckal and trading companies. This indicates that it needs a different Board (entirely or partially) to the other two companies. There can, however, be some overlap, and this does not mean that the Council cannot nominate or appoint directors. Indeed, in many other Trusts, the local authority appoints a portion of the Board.

The recommended structure for the Charity is for a Board made up of nine trustees of which two will be appointed by the Council. The remaining trustees would be appointed following a recruitment exercise. Preferred skills would include; knowledge of charity law; audit and finance experience in a charity; commercial background; breadth of knowledge; sales and marketing; working with the community and sustainability and volunteer engagement.

4.4.2 ADM Governance Function

The ADM's Articles of association will provide the basis of the rules and regulations it will operate in and these will enable the ADM to manage its internal affairs and the conduct of its business. The Articles of Association is a document that contains the purpose of the company as well as the duties and responsibilities of its members defined and recorded clearly. The Charity Commissions web site provides details of draft Model Articles of Association which provides an insight into what may be included within the ADM's articles. [Articles Link](#)

The overall responsibility, and liability, for the actions of those managing the charity rests with the trustees. It is therefore essential that trustees give both clear guidance and establish thorough reporting systems to ensure that they make the appropriate decisions about the overall direction of the charity and ensuring those decisions are enacted. As each trustee is jointly and severally liable, it is important that decisions are taken by the board as a whole, meeting together in order that they may hear arguments either in favour or against a decision before casting a vote on a proposal.

No matter how effective a board of trustees, it may not be possible for the trustees to have 'hands-on' involvement in every area of the charity's activities. The Board therefore controls the charity but will delegate day-to-day responsibility to the senior management team, except for those matters that are the sole preserve of the board of trustees. It is then the responsibility of the Chief Executive, and senior management team where appropriate, to implement the decisions of the trustees and report back to the board via the agreed monitoring process.

The Board will exercise their responsibilities by clearly setting out in the business plan, the policy guidelines within which they expect the management to operate. They will set out the short and long-term objectives of the organisation and a system for ensuring that Management act in accordance with these directions. They will also put procedures in place for measuring progress towards corporate objectives. Therefore the key decisions taken by the Board will be concerning:

- business strategy, including operating, financing and risk management policy;
- the annual operating plan and budget;
- acquisitions and disposals that are material to the business;
- authority levels;
- approval of financial statements

The CEO and Management Team will therefore be responsible for;

- all day-to-day management decisions;

- ensuring that the ADM Group is organised and staffed and to have the authority to hire and terminate staff as necessary to enable it to achieve the approved strategy;
- ensuring that expenditures of the ADM Group are within the authorised annual budget of the ADM Group;
- assessing the principal risks of the ADM Group and ensuring that these risks are being monitored and managed;
- ensuring effective internal controls and management information systems are in place;
- ensuring that the ADM Group has appropriate systems to enable it to conduct its activities both lawfully and ethically;
- ensuring that the ADM Group maintains high standards of corporate citizenship and social responsibility wherever it does business;
- communicating effectively with, employees, Government authorities, other stakeholders and the public.

4.4.3 Other Key Strategic and Policy Governance for the ADM

Excepting the Board of Directors, there are three strategic issues where sub-committees of the Board may prove valuable and where the Board would benefit from Independent scrutiny. These are;

- Audit & Risk Committee
- Remuneration Policy Committee
- Commercial Development & Pricing strategy

The first two are self-explanatory, the third committee however is the key strategic ingredient to the new Group's success. This is because any decisions taken in this area will have repercussions for local communities, receive the attention of the hundreds of affiliated partners and will create a political reaction. For this reason such proposals will need to be properly considered as they will be the primary source of reputational risk.

Transformation from Council function to the ADM which would include harmonisation and rationalisation, should be the province of a specific lead officer. The Process of transformation itself should be managed by the Board.

4.4.4 Operational Governance Framework.

Whilst the Board has a fundamental duty to the company and its well-being, any sub committees of the Board will need to have well defined terms of reference.

At a strategic leadership level Board Directors should be aligned to the key objectives and risks of the company and reflected in their job descriptions and powers

At an operational level throughout the organisation there will need to be a set of documents which guide the day to day activities of the company. These will include;

- The Constitution (articles and memorandum of association)
- Contract standing orders
- Scheme of delegation
- Financial Regulations
- Policy Framework
- Statutory requirements not included in the above
- Risk Management Framework

For the purposes of transition it is suggested that the Board adopts the operational practices of the local authority until it can establish its own guidelines. A list of the policies to be initially adopted are shown in appendix Y

4.4.4 Council Governance Function and its Role as a Facilitator and Strategic Partner

MCC will need to give consideration of the amount of ownership and/or control it wants to have in relation to the new ADM. This is also dictated by overarching requirements e.g. the ability of the charity to be able to demonstrate its independence from the state. This will include consideration of what may be appropriate for Council representation on the new ADM, whether at Board level or otherwise and as indicated above, the terms and remit of any shareholders agreement entered into if MCC will continue to have some ownership in the ADM.

The ADM will involve a charity, and MCC will not be able to enjoy the same levels of control or board involvement that it may have in the 'Teckal' compliant company. The approach will need to be different for the various companies within the ADM.

MCC will continue to have a vested interest in the ADM's continued success but would need to see its role as one of a facilitator, collaborator and strategic partner, particularly in relation to any on-going grant funding arrangements or service contracts and the general way in which MCC and the new ADM will continue to work together. It would be helpful to reflect this in a form of **Collaboration Agreement** which will detail how MCC and the ADM will work together to deliver their aspirations for these Services and the communities which they serve.

There are a whole range of safeguards and monitoring and reporting requirements that that MCC can put in place in its grant arrangements with the new ADM.

4.4.5 Wider Governance

In respect of wider governance considerations, the Council will need to evaluate the range of stakeholders it wishes to engage in the Services and the means in which it will do so, whether through formal ownership of the new local authority company or through providing them with an effective voice and rights enshrined within the company's constitutional documents, primarily through its Articles of Association and establishing some form of multi-constituent rights for the various stakeholders involved. Anthony Collins recommend either Cabinet or relevant Members with delegated authority, exercise the shareholder function.

The focus on staff or community involvement may dictate whether there would be representatives of those groups appointed to the Board of Directors of the local authority company or whether they would be involved in less formal capacities such as holding regular staff and community forum meetings. There is a fine balance to be struck between ensuring that the governance is fit for purpose and appropriately inclusive, without making it unwieldy or impeding the ability of the Board to get on and make decisions about the Business. This is also true for the degree of ownership and control that MCC may wish to continue to have in relation to these Services.

4.4.6 Management, Staff and Governance

Staff would transfer with their existing terms and conditions of employment under the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE), whilst observing The Code of Practice on Workforce Matters. The ADM will also apply to be admitted to the Greater

Gwent Pension Fund. All other local authorities who have set up a Trust / ADM have been successfully admitted previously.

A Board, Chief Executive Officer and Management Team will be need to be appointed and tasked with guiding the ADM through its early years, ensuring that the transferred services are maximised for the benefit of the general public in the Monmouthshire County Council area – opening these services up to those not only geographically situated in Monmouthshire, but also to those visiting.

It is proposed that the Council will initially continue to provide some core back office support to the ADM on its establishment. These services will be subject to negotiation and the ADM will be free to source these services from elsewhere.

The ADM will be run as a wholly separate entity from the Council with its own governance and board structure. The Council will need to determine the exact treatment of assets but the Council will retain ownership of the assets. It is only the provision and management of services that will transfer from the Council to the ADM.

4.5 Council and Charity Commercial Arrangements

The relationship between the Council and the ADM will have its basis through a number of agreements. The agreements between the ADM and the Council would need to be developed to set out a range of roles and responsibilities of the parties. A summary of the key components of these are as follows:

- Transfer of control over the facilities and equipment from the Council to the ADM;
- Requiring the ADM to provide the services in exchange for payments;
- Protection for Council employees transferring to the ADM in relation to their employment terms and conditions and pensions; and
- Reporting and governance mechanisms ensuring proper public funding accountability while supporting and encouraging the ADM's purposes as a charity and the flexibility in delivery and development it can bring; and reflects good practice.

The structure of the arrangement will be as follows:

- The Transfer Agreement should set out the details for the transfer of the business from the Council to the ADM and includes the provisions for the staff transfer, licencing of premises and assets. The ADM will employ all of the Council's staff who currently work within the services in the scope of this project and will transfer by operation of the Transfer of Undertakings Regulations. The ADM may be granted either a lease or licence to occupy all of the buildings it needs to provide the services as set out in Appendix D. The Council will retain responsibility for some elements of the capital maintenance of the buildings. The ADM will also be granted a licence to use all of the Council assets to provide the services, for example sports equipment or to hold events on other Council land;
- The Services Agreement will set out the services which the ADM will require to provide as detailed in appendix D. The agreement will set out how the arrangement is governed including the ADM providing business plans to the Council in terms of the budget processes and mechanisms for monitoring the performance of the ADM; and
- The Support Services Agreement will provide the ADM with a range of support and administration services from the Council. These services will be provided by the Council on a rolling 12 month basis. The core services to be provided by the Council are detailed below

in 4.5.1. The ADM would be free to provide these services directly or source them from elsewhere.

The agreement will set out the details for the calculation of the management fee. The Financial Case demonstrates that the operations being transferred to the ADM operate at a deficit which would require external funding for the ADM to be financially viable. Consequently, the Council will pay for the services of the ADM. This will be through a grant agreement for the Charity and through a service charge with the Teckal company, their advantages and disadvantages are shown in table 14.

Table 14 - Options for the Management Fee

Nature of Arrangement	Advantages	Disadvantages
Grant Agreement	Would not be subject to procurement. VAT is not payable on the grant and it may be eligible for gift aid. May provide more flexibility.	Would need to assess any potential State Aid issues and ensure that they are appropriately addressed, Not as much as control in terms of detailed specifications and KPIs, but can define Outcomes and ultimate sanctions would be clawback or non-payment of grant. Likely to contain less reciprocal obligations that the ADV could enforce against the Council.
Services Contract	Has the potential to include more detailed service specifications, KPIs and performance monitoring regime. Can have more reciprocal obligations that can be enforced between the parties. VAT benefits.	Would be subject to procurement requirements. Would not be eligible for Gift Aid. May be subject to VAT

The fee will initially be set at a rate reflecting the operational deficit transferring to the ADM but would be expected to reduce over time as the ADM improves the service offering, drives revenue and achieves operational efficiencies.

Despite the basis of the relationship between the Council and ADM, it is important that the ADM is supported by the Council, particularly in the early years and so the ADM must be set up in such a way that the advantages of its arms-length structure and charitable status are maximised. Further information regarding the main VAT considerations are outlined in appendix J.

4.5.1 Support Services

The provision of support services to the ADM is an important consideration. These services provided by the Council will encapsulate the following: - Human Resources, Finance, Information Technology, Legal Services, Insurance, Internal audit, Procurement, Communications, Grounds Maintenance, Property services and Business support.

Currently TLCY incur central support costs estimated at £0.970m. These charges are currently being reviewed to assess their accuracy but for the financial purpose of the Final Business Case, it is assumed that these costs will continue into the operation of the ADM.

4.5.2 Maintenance Options

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. There are two possible maintenance options for the properties based on whether the maintenance is supplied by the Council to the ADM or procured directly by the ADM:

- **Option 1 - Council delivery.** All necessary capital and maintenance works are delivered through the Council for no charge to the charitable arm of the ADM. This approach allows the Council to reclaim the VAT incurred on the related expenditure where it relates to the Council's non-business activities. In this scenario, where the Council does not charge the ADM for these works there is no direct effect on the management fee; or
- **Option 2 - ADM delivery.** If the ADM is given responsibility for all necessary capital and maintenance works this would mean that the ADM would incur expenditure and accordingly would require the payment of a higher management fee from the Council to the ADM to balance the income and (higher) expenditure. The ADM may not be in a position to reclaim all the VAT incurred on expenditure.

The advantages and disadvantages of the two different maintenance options are shown in the following table:

Table 15 - Advantages and Disadvantages of Maintenance Options

Option	Advantages	Disadvantages
1 - Maintenance responsibility is retained within the Council	The Council can reclaim the VAT on capital expenditure	ADM does not have control of its own maintenance regime and cannot act independently
2 - Maintenance responsibility is transferred to the ADM	ADM has control of its own maintenance regime and can operate independently of the Council	The ADM is liable for the VAT and cannot reclaim the VAT in full.

The implications of Option 2 are that the ADM will suffer a partial VAT cost on any capital works or repairs and maintenance obligations. The ADM may be able to procure external contractors at a more competitive rate reducing the price differential, subject to compliance with procurement rules and so allowing the ADM to have control of its maintenance regime may be achievable without a material financial impact on the Council.

It is recommended that a hybrid approach be taken with regard to maintenance and that capital maintenance work will be retained by the Council with day to day maintenance being undertaken directly by the ADM.

4.5.3 KPIs

The ADM should measure, monitor and analyse performance in order to ensure best practice and the highest levels of delivery. The use of KPIs is critical to this process as they are:

- A powerful tool which ensures an improving standard of delivery;
- A means of actively measuring customer and employee satisfaction;
- Enables the Council to measure and appraise the ADM based on performance; and
- Make informed decisions based on qualitative data.

The KPIs are used to ensure the progress of the ADM by actively managing and communicating with customers, staff, management and the ADM Board. There will be formal management reporting including:

- Monthly over-view by ADM Board;
- Periodic Council meetings; and
- An annual report for the Council.

The monitoring of KPIs should be linked to an Action Plan and reflected in the ADM business plan, setting out commitments to continuous improvement and targets that offer positive benefits. It should be reviewed annually in line with the ADM Business Plan.

Where performance is below target, or can be improved, the ADM should be required to develop action plans to be implemented and monitored to improve identified areas of weakness/improvement.

The ADM and the Council would agree a suitable set of measures with which to gauge performance.

4.6 Staffing Considerations

4.6.1 TUPE

With the creation of the ADM, there will be Transfer of Undertaking (Protection of Employment) (“TUPE”) implications for the Council. This applies to situations where undertaking, e.g. a function of service delivery, transfers to a new provider. The individuals working wholly or mainly in the area of work being transferred will be entitled to transfer with the work and their employer will change to the new provider. Under TUPE, the individuals will receive TUPE protection which, in general terms, protects an employee’s continuity of employment, their pay and their contractual conditions. Pension arrangements are not afforded the same protection under TUPE.

An assessment of the work carried out by employees will need to be undertaken to confirm whether they work wholly or mainly within the functions being transferred to the ADM. Where this is the case, the employees will transfer to ADM and become employed directly by the ADM. In this scenario, TUPE will apply and the employees will receive the protection provided by TUPE. It should be noted that temporary employees will only have a right to transfer where their contract remains in existence at the point of transfer to the ADM.

In essence, the TUPE regulations transfer the contract of employment that exists between an employee and the Council to the ADM which becomes the new employer. The protection offered

is not for a limited period of time and the ADM will only be able to amend employee's terms and conditions in limited circumstances.

TUPE arrangements will not apply to those employees who will continue to be employed by the Council. The Council has no obligation to provide work for casual workers and equally, if offered work, casual workers are under no obligations to accept it. Given the nature of this relationship, and the absence of a formal contract of employment, TUPE does not apply.

In the event that employees working within the areas identified for transfer to the ADM, do not meet the test of working wholly or mainly in these areas, they will not have an automatic right to transfer to the ADM nor will the Council be in a position to insist they transfer. All staff wholly or mainly assigned to the "transferable role" will move to the ADM. Staff will transfer with their existing terms and conditions of employment under TUPE.

4.6.2 TUPE Consultation

As is required by legislation, consultation on the transfer will take place in accordance with the TUPE Regulations. This will involve representatives from both the Council, as the current employer, the ADM and Trade Unions.

As part of the consultation, discussions will require to cover a number of areas including the following:

- When and why the transfer is taking place;
- The legal, economic and social impacts of the transfer on the employees (if any);
- Whether there will be any changes made in connection with the transfer, e.g. a re-organisation of employees, and what specific action is envisaged;
- Whether the ADM is likely to make any changes that will impact on the employees;
- Any impact on the employee terms and conditions; and
- Any other matter affecting employees, who will be transferring, not covered in the above.

Consultation on such issues will require to commence as soon as possible on confirmation of the decision to transfer services to the ADM and will continue during the implementation phase leading to the extension of the ADM. To ensure good practice, it is also recommended that a wider consultation and communication strategy beyond that required by legislation is adopted including:

- Meetings with Trade Union representatives at relevant intervals to address not only the statutory TUPE issues but also any more general operational or relevant non-employment related matters;
- Issuing individual letters to employees and their representatives as appropriate; and
- Preparing newsletters and regular web updates to keep employees advised of progress.

If any of the employee's within the current workforce do not meet the test of being 'wholly or mainly' employed within an area transferring to the ADM, specific consultation will be required including a discussion in respect of what this means to them.

4.6.3 Transfer Options for Employees

An employee working wholly or mainly in an area transferring to the ADM, will automatically transfer to the ADM, covered by TUPE protection. The list of employees in this situation will be discussed with Trade Union representatives. However, it is open to the employee to dispute that they are working wholly or mainly in such an area. In such circumstances, a process will be

agreed with the Trade Unions to ensure careful, open and transparent consideration is given to any such challenges and that all decisions on employees, due to transfer, can be justified.

If an employee who is due to transfer has requested redeployment but is unsuccessful in gaining this by the date of transfer, they should continue to transfer to the ADM on the same date as all other transferees. Otherwise this would result in the Council having supernumerary employees at an additional cost to the Council. There is equally no legal obligation for the Council to find alternative employment for such individuals.

4.6.4 Pay, Terms and Conditions

The pay, terms and conditions of employees transferring to the ADM are protected by TUPE legislation. If the ADM wished to change the pay, terms and conditions of the employees following the transfer, it would be open for it to do so provided it met the requirements of having a justifiable reason under TUPE legislation; namely for reasons not connected to the transfer or where there is an economic, organisational or technical reason. Where terms and conditions are incorporated into the contract of employment from a collective agreement, these may be varied a year after the date of the transfer providing they are no less favourable.

4.6.5 Pensions

Pension arrangements are not protected by TUPE to the same level as pay, terms and conditions. The ADM would apply to be given admitted body status within the Greater Gwent Pension Fund ("GGPF"). This will enable ADM employees to continue to participate in the Local Government Pension Scheme with no changes to pension provision and full service protection.

By entering GGPF as an admitted body the ADM would be committing to all terms that need to be met by the employer.

The appropriate management of staffing issues are critical to the successful establishment and operation of the ADM. The management case, considers how these issues should be taken forward as part of the wider project management and planning approach.

4.6.6 Trade Union Recognition

A fair proportion of the employees within TLCY services are members of a Trade Union. The majority of those members are represented by Unison, although some other Unions have members too.

It is anticipated that the ADM will recognise appropriate Trade Unions to ensure continuity in respect of recognition and consultation/negotiations arrangements. To support this, the Board of the ADM will be asked to develop a consultation mechanism.

4.6.7 Disclosure Checks

There are a number of posts within the services for which disclosure checks are undertaken to ensure all necessary steps to protect vulnerable children and adults are in place. MCC may wish to consider placing a requirement on the ADM that it meets the Council's policies on such matters and checks continue to be carried out in accordance with these arrangements. Similarly, MCC may wish to make the same requirements of the ADM in respect of the retrospective disclosure checks.

The ADM is committed to ensuring that people living within the County are safe and protected. The ADM workforce shares a responsibility, both collectively and individually, to ensure that children and adults at risk are protected from harm. 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 will continue to have a representative on the Monmouthshire County Council Whole Authority Safeguarding Group and will ensure compliance with all policies and procedures in place. There is an appointed Safeguarding Lead Officer for the ADM and safeguarding will be a standing item on all meeting agendas across the organisation. The ADM workforce will attend the Level 1 Safeguarding course every two years, to build up a sound knowledge within the area and all those who hold managerial roles will attend a Level 2 qualification every three years. There is a central database where all names, qualifications and expiry dates are held as an audit trail and a reminder to access refresher training. The ADM would also complete SAFE audits supported by the MCC safeguarding team to ensure all aspects are covered and have a robust reporting system for any concerns that are raised or identified on site. All of the above practices will continue to be central to all services and the ADM will continue to develop this key area as it moves forwards.

All employees transferring to the ADM in posts which require disclosure checks will already have been checked through this process, however there will be a requirement to carry out checks for new employees, where relevant to their post and to carry out retrospective checks at agreed intervals. It should be noted that this will have cost implications for the ADM in the same way as it does for the Council.

4.6.8 Education Workforce Council

It should also be noted that in addition to posts requiring disclosure checks, youth workers as well as teachers are required to be registered with the Education Work Council (EWC). The initial registration is undertaken by an individual prior to taking up work as a registered youth worker and the ADM will be required to ensure compliance through undertaking pre employee check that registration is in place for a new starter. Annually, registration for existing youth workers will be through payroll transfer of the fee to EWC. The cost is borne by the employee but there will be administrative costs through the payroll SLA.

4.6.9 Employee Development

It is essential that employees are competent and capable at their jobs, understand the standards expected of them and have the necessary skills to deliver services safely and efficiently.

Employees within MCC currently have access to a wide range of learning and development opportunities. Within the ADM, there will be an added dimension which allows the staff to inter-transfer across service areas to develop new skills to operate in a third sector environment to ensure that all income generating and marketing opportunities are used to best advantage.

To ensure that the ADM excels at customer service, the behaviours and attitudes that underpin it will be fully engrained into their organisational culture. Every employee, regardless of their level of interaction with customers, will play a part in delivering outstanding customer service and achieving customer service goals and targets. Every employee will know what the organisation is trying to accomplish, that they are expected to help, and how they are helping.

In such a context, it is essential that employees continue to receive access to both job based training as well as skill development opportunities. Staff will be supported to co-produce a Personal Development Plan to set goals, monitor achievements and progress, whilst identifying immediate and future training needs. Being part of a unified team will enable peer motivation, coaching and enable increased performance, whilst giving employees “permission” to go that extra mile to make customers happy, empowering them to do what they need to do to meet the organisation’s vision.

Ultimately this will assist the ADM to deal with changing demands on services and to deliver efficient services to its customers. It is important that this is recognised and that the necessary budget remains in place to allow such training and development to continue.

4.7 Conclusions

The main conclusions from the commercial case are:

The recommended structure ensures compliance with EU Procurement. There is no procurement tendering process as MCC will be directly contracting with the Teckal Company and awarding a grant to the ADM (4.3)

There are various models regarding governance (section 4.3))

Staff would transfer to the ADM with their existing terms and conditions under the TUPE regulations. (4.6.1)

An annual management fee (grant) is required as service operates at a deficit (4.3.1). The financial amount and length of the grant needs to be determined in the final business case.

Arrangements regarding assets need to be confirmed, preference is given to ownership of assets remaining with MCC. Capital maintenance of assets should remain with the authority (4.5.2)

Further discussions need to be held with GGPF regarding the ADM applying for admitted body status (4.6.5)

5. Financial Case

5.1 Introduction

For the purposes of the Final Business Case, the financial case has been prepared in line with the following underlying assumptions:

- The financial position is based on the adjusted 2017/18 budget;
- The 2017/18 base position reflects the most recent list of assets used in the provision of TLCY services. (As shown in Appendix D);
- Updated transitional and recurring costs have been included in the analysis; and
- The NNDR savings have been updated to align with the base position.

5.2 Financial Position for 2017/18

To understand the potential financial advantages of the Council for each of the two options, a baseline financial position has been established. This is based on the 2017/18 revised budget and includes an adjustment to reflect the apportionment of NNDR costs that relate to the shared Leisure Centre Sites, this is estimated (pending revaluation) at 225k. Central support service and other indirect costs (such as building maintenance and grounds maintenance) are also included within the table. A review of the central support costs and other indirect costs has been undertaken to estimate the allocations to services.

Table16 - Financial Position for 2017/18

Budget 2017/18	£000's
Grant Income	541
School Income	484
Other Income	3,682
Total Income	4,707
Staffing Costs	5,550
Premises Costs (includes indirects)	1,396
Transport Costs	86
Supplies & Services	1,125
Contracts	136
Internal Support Services	638
Total Costs	8,931
Net Cost	4,224

Source: Monmouthshire County Council Management Accounts

There may be also additional costs identified within other service budgets which for valid operational reasons have remained in other services which will need to be identified prior to the establishment of the ADM.

5.3 Projected Financial Position

5.3.1 Projected First Year 2018/19

The first year of trading reflects a number of adjustments for the following factors:

- Inclusion of additional costs in respect of any new structure:
 - ❖ One off setting up transition costs

- ❖ The recurring annual operational costs;
- Recognition of the savings generated by in respect of NNDR and VAT; and
- Recognition that some services have identified pressures for 2017/18 and 2018/19. These pressures have been built into all of the options.

Table 17 – 2018/19 Adjusted Position (£000)

One Off Costs	Baseline Position - Stay the Same	Option 2 Transform in House	Option 3 ADM
	Amount £000's	Amount £000's	Amount £000's
Net Budget Position 2017/18	4,224	4,224	4,224
Costs			
Service pressures from 2017/18	93	93	93
Service pressures anticipated in 2018/19	40	40	40
Additional Costs	0	106	178
Capital Financing Costs	0	13	73
ADM Reserve	0	0	50
Impact of Pay and Prices Inflation	161	161	213
Costs	294	413	647
Benefits			
NDR relief	0	0	239
Savings and further Income Generation	0	63	186
Benefits	0	63	425
Revised Position	4,518	4,574	4,446

Table 17 shows that option 3, the preferred option - the ADM is the least cost to the Council at £4.446m for the continuing provision of all of these services.

5.3.2 Transition costs

The Council will incur costs associated with each of the options. Existing sunk costs that have already been incurred by the Council have been excluded. Further one off costs have been estimated.

Table 18 - Transition Cost Summary

One Off Costs	Option 2 Transform in House	Option 3 ADM
	Amount £000's	Amount £000's
Financial Support and Legal Advisors	30	75
Marketing, Media, Website, Branding	15	30

One Off Costs	Option 2 Transform in House	Option 3 ADM
	Amount £000's	Amount £000's
Recruitment / Hr Advice	0	30
Corporate Governance Costs	0	20
Total	45	155

Source – FPM

5.3.3 Ongoing recurring costs

Additionally, the options would incur a range of recurring annual costs. These have been estimated and are categorised in the following table. These costs are already included within table 17.

Table 19 - Recurring Cost Summary

Recurring Costs	Option 2 Transform in House	Option 3 ADM
	Amount £000's	Amount £000's
External auditors	0	20
Marketing	34	58
Financial Management Costs	50	70
Legal and regulatory costs	0	20
Trustee expenses	0	10
Total	106	178

Source – FPM

5.3.4 Management Restructure

The existing management structure will need to be reviewed to ensure the new organisational structure is fit for purpose and in place for the go-live date. At this Final Business Case stage, no cost or savings associated with this exercise have been factored into the financial case. Further work on the proposed structure will be undertaken once the final business case is agreed but no additional costs are anticipated.

5.3.5 NNDR Savings

It is estimated that the ADM could realise NNDR savings of £239k. This estimated range of NNDR savings assume that the ADM's application to the Charity Commission for charitable status will be approved and that the ADM will obtain the full mandatory rates relief of 80% as a charity. The ADM will need to occupy the facilities and the facility will need to be used 'wholly or mainly for charitable purposes'.

The estimated NNDR savings are based on the total NNDR costs for each facility. Where the ADM is unable to obtain the full relief this will directly impact on the NNDR savings that can be achieved. At this stage it is not possible to confirm whether or not the ADM will be awarded the full relief.

The estimated range of NNDR savings position also takes into consideration the potential complications associated with the dual use facilities at the Leisure Centres. As these facilities form part of the overall school complex for rating purposes, there will be a requirement for the District Valuer to make a judgement on the area of the sports centres which relates specifically to the ADM – it is only this area that will be eligible for NNDR relief.

Advice received so far indicates that in order to obtain the maximum NNDR relief each area which will be subject to an NNDR relief application needs to be distinct and must look and feel like an ADM facility. This is clearly a risk to the level of savings that can be generated from NNDR exemptions.

Depending on the view taken by the District Valuer there is a risk that the ADM may not achieve NNDR relief on the full area occupied within these facilities. The intention however would be to pursue the full available NNDR relief on these facilities. There is an associated risk that by splitting the sites, the rateable values may increase.

5.3.6 VAT Savings

It is expected that some elements of the preferred option will have charitable status and consequently certain income it generates could be exempt for VAT purposes under the VAT Sporting Services and Culture Services exemptions, and this can provide VAT savings. The Council is currently required to charge VAT on the provision of these services, whereas with a charitable organisation should be able to treat the provision of the services as exempt for VAT purposes. The savings arise where the price charged to customers remains unchanged and the charitable element would be able to retain the portion of income that the Council had to charge and account for as VAT.

This can be best demonstrated with a simple example:

If the Council charged £3 for admission to swimming:

- *£3 would include 50p of VAT – the net receipt for the Council would be £2.50;*
- *If the Charitable organisation £3 for admission to swimming, £3 is exempt from VAT – the net receipt would be £3;*
- *Saving would therefore be 50p.*

Where the Charitable organisation provides services to the general public free of charge there will be non-business use of those assets. As an ADM would not benefit from the Council's section 33 VAT Act 1994 status, this would require the ADM to restrict recovery of a proportion of the VAT it incurs on expenditure where it is not used for taxable business purposes. Where the ADM undertakes activities that are exempt from VAT this will also require an ADM to restrict recovery of a proportion of the VAT it incurs on expenditure.

The Business/Non-Business/Partial Exemption calculation ("B/NB/PE") will determine how much VAT the ADM is entitled to reclaim from HMRC. The B/NB/PE method used for the purposes of the analysis has been based on a method which involves treating each of the service areas as

a separate and defined B/NB/PE calculation. The B/NB/PE calculation must be agreed with HMRC. Monmouthshire's VAT Accountants along with the Council's VAT Advisors have reviewed the impact of the removal of the ADM and their assessment is that it would result in a minor benefit to the calculation for MCC.

Some sporting activities delivered by the Council are funded by grants as typically the users are not charged for the provision of the leisure service. The VAT analysis assumes the Council will continue to receive the grant funding and will act as the principal by subcontracting the management and delivery of the relevant projects to the ADM. Where this is the case, the ADM will need to ensure the correct VAT treatment is applied to its supply of services to the Council. The VAT position will need to be considered on a case by case basis to determine whether it is a non-business grant arrangement or it should be treated as a taxable service.

The VAT position has been modelled based on a range of savings depending on the acceptance by HMRC of the proposed approach. It is critical that the VAT position is agreed with HMRC as soon as possible as certainty on the potential VAT savings can't be achieved until HMRC has confirmed its approval to the proposed arrangements.

The estimated VAT savings are calculated by using the Council's actual figures from 2015/16 and the budget for 2017/18. The analysis has also been based on the Council's existing VAT treatment of income and expenditure. The calculations have been subject to independent assurance by Mazars and Monmouthshire County Council VAT Advisors and the savings are very limited and are estimated to be approximately 10k.

The estimated VAT savings would then be affected by the decision to award a grant to the ADM rather than through a service contract. This would reduce the amount of savings to a minimal level and therefore for the purpose of this financial case, VAT savings have not been included.

5.3.7 Further Income Generation

A comprehensive exercise has taken place to identify some key income streams across all of the service areas in scope and consideration given to how these can be developed with a joined up approach to ensure the full potential of each area is maximised to its full potential. More information is contained in Appendix U. Listed below are some examples of these areas:

- The Monmouthshire Games are sporting activities aimed at children 5 - 11 years during all holiday periods and initial trials have proven very successful and have further potential to expand across TLCY;
- The Learn to Swim Programme provides swimming lessons for children aged 4 months - 12 years and has real potential to grow further, especially with the newly proposed 5 lane swimming pool in Monmouth Leisure Centre;
- Review the model for personal training with our existing instructors maximising the financial opportunities with periodic agreements for rental of our facilities;
- Monmouth Leisure Centre Re-design provides a real opportunity to re-develop the site in line with the 21st Century School program to encompass a pool, spa and treatment facilities, 60 station fitness suite with toning and spinning room and a family/play area with catering facilities;

- There are opportunities to re-design and develop some of our existing buildings such as Abergavenny Leisure Centre to grow our existing membership base with a 50-60 station fitness suite with functional training and toning;
- Following on from the success of Monacademy within Leisure we will be introducing a training academy across all areas including fitness, sport, counselling, first aid, teambuilding, lifeguarding etc;
- There are opportunities to develop the catering offer across all facilities with a clear direction for both eat in and take away options with a clear emphasis on health. This will involve relocating some areas within our facilities to position them in more prominent places to encourage customers to visit;
- There will be a dedicated marketing and sales team working across to identify potential leads to create additional sales through a successful annual marketing plan. There will be specific roles within this team to drive brand, image, promotions, sales, digital marketing, social media and customer reward schemes;
- Invest in initiatives that provide additional activities to ensure customers want to visit our facilities for a multiple of reasons such as crazy golf, family play areas, additional parking, railway tunnel (specifically at Tintern Old Station);
- Explore options with camping and accommodation facilities to grow the tourism offer;
- There are opportunities to combine and grow areas of the service around play, activity, therapy and wellbeing;
- Review all fees and charges relating to green infrastructure and countryside to maximise income;
- Other areas we will be looking to maximise are room hire, secondary spends i.e. merchandise and goods for resale, sponsorship and commercial opportunities selling space to local companies; and
- A full review of the delivery of outdoor education is needed to ensure this area is maximised and sustainable with room hire, rents, accommodation, adventure therapy, training etc.

A large piece of work has been undertaken within the area of potential income streams with real emphasis being placed upon joining these areas up to identify the opportunities that currently exist but also those that can be introduced in either then transform in house model or the ADM model.. The same income generation ideas have been used for each of the options. The difference between the two options is due to the timeline of delivering projects being quicker within the ADM and the additional VAT benefits that a charitable organisation would be entitled to. The potential income streams have been independently assessed to ensure that costs and income projections are realistic and to avoid any optimism bias. Items that can be achieved are included within the business plan.

5.3.8 Capital expenditure

In order to estimate the cash position of the ADM the adjustment for non-cash items removed depreciation from the financial projections. A significant area of cash flow demand can however be the need to incur substantial capital expenditure, but the Council has yet to determine responsibility for future revenue and capital maintenance.

The majority of capital expenditure is therefore excluded from the base management fee paid by the Council to the ADM and accordingly separate arrangements will be required. However, in the preparation of the business plans for both the transform in house and ADM option, a capital sum has been identified as being required in order to enable certain income generation ideas to be achieved. Both business plans include the repayment of that capital sum over the life of the various projects.

5.3.8 Maintenance expenditure

The model for the ADM and the Transform in house model include a cost for revenue maintenance. The business plan assumes that this level of maintenance will continue however it is recognised that the money allocated is not sufficient to address the long term backlog of maintenance.

5.4 Financial Projection and Five Year Financial Plan

The table below sets out a 5 year financial projection for the selected options:

Table 20 - Five year projected position (£000)

NET COSTS	Option 2 – Transform in House	Option 3 – Alternative Delivery Model	Variance between Options
	Amount £000's	Amount £000's	Amount £000's
Year 1 – 2018/19	4,574	4,446	128
Year 2 – 2019/20	4,601	4,271	330
Year 3 – 2020/21	4,562	4,267	295
Year 4 – 2021/22	4,598	4,248	350
Year 5 – 2022/23	4,610	4,208	402
TOTAL	22,945	21,440	1,505

The projections are based on the analysis and assumptions set out within this Final Business Case. Inflation has been estimated based on Office of National Statistics (ONS) estimates. The year 1 projection assumes a 12 month year.

The analysis shows that all of the options will have an operating deficit with the ADM being the better cost option. The preferred option, the ADM needs to continue to provide these services on behalf of the Council but would also be required to reduce this deficit, these would include:

- Initiatives to grow income for the ADM (see section 5.3.7);
- Identification of efficiency savings that can be realised; and
- Payment of a management charge by the Council to the ADM.

The summary of the draft financial plan for the transform in house option is shown at appendix X. A separate business plan for the ADM option has been separately produced.

5.5 The impact of the Annual Management Fee

The proposed operating model is based on an annual management fee as the services operate at a deficit. The financial amount and length of grant will need to be determined but in similar arrangements, the amount would usually be at a fixed fee for a fixed period with the expectation that at the renewal period, the financial support would be reduced.

The table below demonstrates the impact of inflation on the transform in house option compared to the preferred option, the ADM. The proposed operating model enables the continued delivery of services within a restricted financial envelope.

With an agreement of 5 years, with contributions reducing over the fixed term agreement (£24.440m) and compared to staying the same (£23.34m) could save the Council £1.9m. The transform in house. The ADM would be expected to fund all of the service annual inflation as well as generate additional income.

Table 21 – Impact of Annual Management Fee

		Assuming 5 Year Fixed Contract			Assuming 5 Year Reducing Contract		
Baseline Position Stay the same	Year	Option 2 - Transform in House £000's	Option 3 - ADM £000's	Potential Savings £000's	Option 2 - Transform in House £000's	Option 3 - ADM £000's	Potential Savings £000's
4,518	1	4,574	4,446	128	4,574	4,446	128
4,614	2	4,601	4,446	155	4,601	4,271	330
4,674	3	4,562	4,446	116	4,562	4,267	295
4,736	4	4,598	4,446	152	4,598	4,248	350
4,798	5	4,610	4,446	164	4,610	4,208	402
23,340	Total	22,945	22,230	715	22,945	21,440	1,505

5.6 Summary and Conclusions

In this section, the baseline financial position of services remaining as they currently are operating has been calculated and shown in table 21. The next five years would cost MCC £23.340m. This option was clearly discounted at OBC but is included here to show the impact of the two options that have been considered further. The financial projections reflect:

- The most cost effective option is option 3, the ADM with a five year cost of £21.440m;
- The benefit to the Council of option 3, the ADM would be the avoidance of pay and other inflation which over a five year period could save up to £1.9m compared to the projected cost of current service delivery;
- The benefit to the Council of option 2 – transform in house would be that it could reduce the service deficit over a five year period from £23.340m to £22.945m, a saving of £0.715m;

- If a fixed five year contract was awarded to the ADM, any increased surplus could be reinvested into asset maintenance to assist with the backlog maintenance; and
- The ADM would need to build up a small cash reserve to cover any contingencies. Ideally this is anticipated to be in the order of 5% of its turnover. The ADM business plan indicates that this will be achieved by year 5.

There are potential NNDR savings within the ADM option 3 which is anticipated to be £239k. VAT savings are factored into the model but these are limited by awarding a grant to the organisation rather than a service contract.



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6. Management Case

6.1 Introduction

The purpose of this section is to:

- Demonstrate that the implementation of the ADM is achievable and can be delivered successfully in accordance with accepted best practice.

The assessment will be informed by:

- The transition and delivery plan and outline;
- The proposed governance structure and legal implications; and
- The current risk register and communication plan.

6.2 Transition and Delivery Plan

A transition and delivery plan, detailing the timing of the scheduled tasks is shown in Appendix V. It has been developed to tackle the issues identified in the commercial and financial cases. The transition and delivery plan contains details of a number of actions that are central to the implementation of the ADM. It is expected that the majority will be under-taken and completed prior to the proposed implementation date. This includes the following items:

- Completion of the TUPE transfer process and application for admission to the Greater Gwent Fund, as identified in section 4.6 of the commercial case;
- Completion of the Charity Commission application process;
- Completion of HMRC engagement;
- Setting up of financial management systems reporting protocols, management accounts, profit and loss reporting, and VAT and tax management system;
- Novate contracts from council to new entity;
- Appoint/elect new Shadow Board into new governance structures; and
- Develop and implement marketing strategy to ensure effective contact with staff, council and all other stakeholders.

6.3 Charity Commission

MCC will submit an application to the Charity Commission for charitable status for part of the ADM. They will need to confirm that the company to be established meets the charity test by having charitable objectives and providing benefits to the public.

The Council must be aware that there are additional financial and administration considerations for the Council that they must consider upon a successful charitable application. A separate set of charitable accounts must be produced that complies with the charities statement of recommended practice ("SORP").

6.4 Governance Structure

Governance is extremely important and has a number of strands. Effective governance can lead to improved services and greater accountability to users, donors and other stakeholders. Governance will be influenced by the structure of the ADM. The Memorandum of Articles of Association will determine how the companies will be run and similarly, the charity must abide by charities law which regulate their activities. Members of the Council may be on the board of the ADM, subject to their duties as a director of the company but also must be mindful of the key importance of the conflict of interest issues but this does create a strong link between the Council and the ADM.

The service specification agreed between the Council and the ADM would drive governance in terms of the requirement for compliance with its terms. The management and governance structure integral to the ADM itself needs to be a robust structure with clear reporting lines to facilitate the communication of key issues. A review of the required structure will be carried out during the implementation process.

In terms of the relationship between the Council and the ADM, how the ADM reports to the Council's governance structure in future will need to be reviewed so that such issues as the approval of the annual business plan and periodic reports are submitted to the Council. Consideration will need to be given as to how the Council monitors the ADM on an ongoing basis.

6.5 Risk Register

The Project Team have developed and manage a detailed risk register for the project. The effective identification, quantification and monitoring of risk is a critical part of effective project delivery. A full register outlining all the pertinent risks faced by the project is contained in appendix K.

6.6 Contingency Plan

Should the new model for service provision not be implemented the contingency plan would be for the current model to continue and to transform services in-house. This approach ranked second in the options appraisal and it is considered the approach that would allow service provision to continue with no impact on users.

6.7 Engagement

6.7.1 Continuous Engagement

Engagement is “how employees feel about how things are done around here.” Engagement is an aspect of workplace life that can—indeed, should—be continuously monitored in a proactive way. It is about the future of an organisation; it is a measure of corporate health and a key window into the potential for future issues and workers’ support for change. Engagement is underpinned by organisational development, building on what is already embedded and developing this to ensure that services are transformed into solutions, that hearts and minds embrace its recommendations.

The new model will be as focussed as MCC on improving the social, economic, environmental and cultural wellbeing, in accordance with the sustainable development principle. To protect local services the expectation is that every service offer within the new model is efficient and cost effective.

The three specific themes of MCC have been acknowledged to support the focus of the work:

- **Nobody is Left Behind:** so that Monmouthshire is a place of cohesive communities where everybody is treated with dignity and respect and has the same opportunity to achieve;
- **People are Confident, Capable and Involved:** where Monmouthshire is a place for people to feel safe and a place where people want to be involved; where they are confident in themselves and their abilities and how they contribute to their community; and
- **Our County Thrives:** so that Monmouthshire is a thriving county and a thriving economy to support communities and where families can live a good life. This sense of thriving also means in context of the environment and habitats and where biodiversity thrives.

6.7.2 Engagement

Today's workforce is more diverse than ever. As a new organisation the ADM will have three generations of workers, and a mix of genders, races, cultures, and sexual orientations. The ADM will have full-time and part-time staff; flexible working patterns and agile working. Almost everything that happens at work has a direct impact on employees' commitment to their work: how they are coached and evaluated; the work environment and the tools with which they work; their opportunities to grow and develop; and, of course, their relationships with managers and peers. The ADM will be keen to expand traditional definitions of engagement to drive the workforce by including five key elements: meaningful work, hands-on management, a positive work environment, opportunities for growth, and trust in organisational leadership.

One of the biggest advantages to increased employee engagement is that the ADM be surrounded by happy workers who enjoy coming to work nearly every day. Engaged employees are cheerful employees. Within the new organisation there will be a clear reward and recognition process. The ADM will create a culture of recognition where everyone can take part. Recognition provides reinforcement and spurs motivation — both key components of engagement.

Sometimes employees feel like they have reached a plateau and either hit the ceiling and can't possibly get any better or they have no place to grow. Creating a culture of continuous improvement within the organisation is a pillar of effective employee engagement. The ADM will establish systems for continuous staff improvement through training, information, and education. Every employee matters. This is crucial in creating a culture of improvement and respect. Every single employee that wears a uniform, answers the phones, cleans the offices ... every single one matters and their work brings integrity to the organisation, whilst triggering growth and success. .

To underpin continual engagement, the ADM will establish a Staff Board where representatives from within the workforce will be able to escalate good practice; discuss concerns; discuss and agree on policies and practices within the organisation. Empowering staff to inform the growth and development of the organisation will contribute to fulfilling the organisations expectations.

To prepare our team for the future, we have embarked on continual engagement sessions with staff, enabling them to create their future vision, culture and ethos. All staff will attend the 'Culture and Customer Journey' workshop to ensure we are all starting at the same level; staff are engaged and ready to deliver our offer to customers both locally and as visitors.

6.7.3 Our Engagement Principles

While the methods we use to engage with staff, service users, community and partners may vary according to circumstances and needs, the following engagement principles underpin all of the engagement activities:

- ✓ Clear purpose
- ✓ Inclusion and access
- ✓ Valuing all views
- ✓ Feedback
- ✓ Use of appropriate tools to engage

Engagement needs to be two-way, direct, transparent, open and easily understood.

The following table outlines the continual engagement undertaken with our staff, service users, elected members, colleagues and partners.

Table 22 – Engagement Process

Date	Engagement processes to date	Purpose
December 2015	Bringing together of leisure, outdoor education and youth service	To ascertain synergies; duplication and conducting a 'What Matters' exercise with staff on the processes of the new delivery model; what they needed from the process and concerns they had
January 2016	Bringing together of Cultural services as a result of the Amion report	To respond to findings of report and improve services for the future
February 2016	The creation of 'Change Ambassadors', a group of staff who have volunteered to assist in the process, with an equal membership from all service areas	Ambassadors will ensure staff and volunteers are fully involved in the change process and have access to appropriate communication channels
From January 2016 monthly	Regular meetings with nominated Members	To inform Members of progress made at each stage; to ensure messages and direction are clear and meet expectations
From January 2016 monthly	Regular meetings with Union representatives	To inform union representatives of progress being made at stages and opportunity for them to raise queries
August 2016	Engaging with our service users to establish 'What Matters' to them on the services they use	Paper and on-line surveys were distributed to services users to 'dip-test' what was important to them. Circa 1200 surveys completed and responses being analysed
September 2016	Joint Select Committee	For committee to scrutinise the Strategic Outline Case

Date	Engagement processes to date	Purpose
October 2016	Cabinet	For Cabinet to scrutinise Strategic Outline Case and to give approval for next stage of process
October/November/December 2016	Town and Community Council engagement	To engage with our local elected members and to ensure they are enabled to feed into the process and give comment
October/November/December	The BIG Conversation	To engage with our younger community members; find out what matters to them; what they think they will need in the future and what can be done to change things
November 2016	Staff engagement day for all 6 service areas	To update staff on processes to date. To enable staff to be involved and contribute to the vision and values of the new model. To evaluate processes to date and gauge staff feelings.
February 2017	Joint Select	To provide Members with an Outline Business Case (OBC) and associated papers that consider the range of alternative delivery models for the Tourism, Leisure, Culture and Youth Services (TLCY) following an independent options appraisal by Anthony Collins Solicitors and seek agreement on the next phase
March 2017	Full Council	To provide Members with an Outline Business Case (OBC) and associated papers that consider the range of alternative delivery models for the Tourism, Leisure, Culture and Youth Services (TLCY) following an independent options appraisal by Anthony Collins Solicitors and seek agreement on the next phase
May 2017	Staff engagement events to establish and design the Mission and Vision of the ADM	To allow staff members to design and inform the future Mission and Vision intentions of the ADM to ensure inclusivity and ownership
June 2017	New Members briefing	To advise all new Members on the processes and decisions made to date on

Date	Engagement processes to date	Purpose
		the options available for TLCY services
June 2017	Members Seminar – Governance arrangements	To advise Members on the Governance arrangements available under each viable company, for Members to inform the process as it proceeds
June 2017	Culture and Customer Journey Workshop for staff	To enable staff to focus on their current offer; collectively agree on ways to improve the offer; ensure all staff are giving our customers the same experience; to be the ‘rocketman’ – go over and above with colleagues to ensure success; customer satisfaction and employee fulfilment.
June/July 2017	Additional meetings with Trade Unions	To enable all Trade Union representatives to raise queries of the Full Business Case and to negotiate mutual agreement prior to final decision being made
October 2017	Joint Select	To provide Members with the Full Business Case (FBC) and associated papers to consider the two options presented for consideration.
November 2017	Cabinet	To provide Members with the Full Business Case (FBC) and associated papers to consider the two options presented and to make recommendation on preferred option
November 2017	Full Council	To provide Members with the Full Business Case (FBC) and associated papers for final approval and decision

Further information of our continuous engagement to date can be found from Appendix L to U.

6.8 Conclusion

This management case has set out that to transfer to an ADM of service delivery is achievable and can be delivered successfully. A detailed transition and delivery plan has been prepared and is set out in Appendix V. This sets out a challenging set of tasks that will need to be completed before go-live date.

The project needs to be supported by strong governance, with the Project Team reporting to the Senior Leadership Team. Effective risk management will continue through monitoring and

updating the risk register. A suitable contingency plan to continue with the current service model will be developed should unforeseen issues delay the implementation of the ADM.

Throughout this process regular communication with elected members, Council employees and service users will be essential.

6.9 Update Position

The Management Case is being systematically developed and delivered as envisaged. In order to meet the expected go-live date, priority will need to be given to producing key documents with Financial, Charity Commission and HMRC work being key. As highlighted the treatment of property assets may be covered by lease agreements and maintenance, repairs and capital expenditure will need to be determined to ensure continuity of service and maximising the potential savings.

All the other key issues covered in the management case of licences, agreements, TUPE, Charity Commission, HMRC, Governance, Risk Management and Communications are all in hand utilising the existing structures and frameworks available from within the Council.

In addition the delivery mechanism chosen and the commitment to positive partnership means that from day one the ADM will be ready to deliver high quality customer services and MCC will be ready to provide the highest quality support services that will ensure the ADM is a success.



Appendix A - Monmouthshire County Council Principles

The aims and values of Monmouthshire County Council principles were used to establish the criteria for the Options Appraisal Workshop.

Aims and Values of Monmouthshire County Council

Our Priorities

- Education;
- Protection of vulnerable people;
- Supporting Enterprise - Business and Job Creation; and
- Maintaining locally accessible services.

Our Values

- **Openness:** we aspire to be open and honest to develop trusting relationships;
- **Fairness:** we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect;
- **Flexibility:** we aspire to be flexible in our thinking and action to become an effective and efficient organisation; and
- **Teamwork:** we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals.

Outcomes we are working towards

Nobody Is Left Behind

- Older people are able to live their good life;
- People have access to appropriate and affordable housing; and
- People have good access and mobility.

People Are Confident, Capable and Involved

- People's lives are not affected by alcohol and drug misuse;
- Families are supported; and
- People feel safe.

Our County Thrives

- Business and enterprise;
- People have access to practical and flexible learning; and
- People protect and enhance the environment.

Appendix B - Council Priorities and Current Service Delivery

Council Priority	Current Service delivery
Education	<ul style="list-style-type: none"> • Providing learning experiences to enable young people to fulfil their potential as empowered individuals & members of communities through the provision of an adequate Youth and Outdoor Education Service.
Protecting Vulnerable People	<ul style="list-style-type: none"> • Supporting an active and healthy Monmouthshire and a healthy lifestyle through the participation in physical activity and the provision of a GP Exercise Referral Scheme. • Offering a bespoke packages to those most vulnerable NEET 16-24 year olds in order to sustain education, employment or training and reduce the potential for youth unemployment. • Offering a youth counselling service to support the County's most vulnerable young people during difficult times. • Offering training via volunteer programmes to promote community participation and cohesion.
Supporting Enterprise, Entrepreneurship and job creation	<ul style="list-style-type: none"> • Raising the profile of Monmouthshire regionally, nationally and internationally with a view to increasing visitor spend and extending the visitor season. • Increasing visitor numbers to leisure centres and visitor attractions by adding value to existing products and developing new products to attract new markets. • Create links with local businesses to provide opportunities to buy and sell services.
Maintaining locally accessible services	<ul style="list-style-type: none"> • Providing a full range of leisure services in Monmouthshire towns. • Investing in buildings to create quality spaces that will attract greater visitor numbers and improve financial viability.

Appendix C - Service Area Overviews

Leisure and fitness

Our Purpose is to provide clean, friendly, accessible facilities and services for all our customers. Our Vision is that our facilities and activities are designed to enhance the quality of people's lives and improve the health of the communities that we serve.

Leisure Services has a real passion to develop and promote an enterprising culture, which builds business resilience and creates excellent outcomes for our communities. They are responsible for the management and operations of four dual use leisure centres within Monmouthshire based on secondary school sites at Abergavenny, Caldicot, Chepstow and Monmouth. Our facilities and activities are designed to enhance the quality of people's lives and improve the health of the communities that we serve with around 1,000,000 visits per year.

There are currently 5,000 annual and direct debit members who benefit from some excellent facilities and programming to achieve their goals. There are over 4,000 members on the Exercise Referral Scheme attracting 100 new people every month and have 2,000 children in the "Learn to Swim" programme.

Leisure Services has done a great deal to provide much needed opportunities for local people to lead more active lifestyles. Thousands of residents have benefitted from taking part in cultural and leisure activities, which have literally changed people's lives. This has been largely achieved through investment in facilities, events and targeted approach to marketing. They are an ambitious service and feel there is still much scope for further improvement and development.

Leisure Services have proven that they have the ability to be resilient and self-sufficient in a challenging economic climate. Their focus is to deliver high quality facilities, wide ranging activities for all, innovative and creative ways of working, increased participation levels and income generation. Whether you are an aspiring Olympic athlete, recreational user or volunteer, there is a strong sense of personal satisfaction in all leisure activity, which prompts people to try new things, set new goals, meet new people and have fun.

This sense of personal satisfaction and achievement is easily over-looked but underpins both individual and social health and wellbeing.

Attractions

Caldicot Castle and Country Park

Caldicot Castle and Country Park is a scheduled ancient monument set on the outskirts of the small town of Caldicot. It consists of the remains of a Medieval Castle and Victorian Gatehouse within an enclosed curtain wall incorporating a garden of approximately 2 acres. Surrounding this there are 60 acres of grassland and park including a section of the River Nedern and an ornamental wildlife lake.

The vision for the Castle in the Park is to be recognised as a premier castle heritage destination providing a strong focus for engaging with the local community and for visitors to South East Wales. We will encourage greater involvement and ownership through improved access, allowing the development of recreation, interpretation and education for all.

We are a popular destination for school visits, family occasions such as weddings and private parties, caravan rallies, ghost walks, re-enactment and specialist themed weekends and memorable red letter event days. We are gaining a reputation as an excellent large concert venue with internationally

recognised performances and also as a regular host to big screen sporting occasions and annual events such as Firework displays and Christmas specials.

We are currently open 6 days a week from April to October. We are also concentrating on developing our tea room into a fully functioning café offering quality local produce and wish to provide a kiosk in our Country Park to provide a service to our dog walkers and nature watchers.

Shire Hall

Our purpose is to provide a high quality venue and other services to a wide range of people, including schoolchildren, community groups, tourists, wedding parties, art exhibitors and commercial business. We focus particularly on an extremely high standard of customer care.

Our vision (Helping to create wonderful memories) is to enable our visitors, both local and from further afield to connect with our rich history and explore our beautiful building. We strive to ensure that, whatever the occasion, our guests' experience is as special, memorable and impressive as possible.

After a complete restoration and refurbishment in 2011, Shire Hall has now been in operation for 5 years during which time we have hosted and organised a hugely diverse range of events and activities. We have been able to investigate what types of activities work best in this quirky building and where its strengths lie.

We see Shire Hall as a key player in Monmouthshire County Council's aim to build a sustainable and resilient service by generating income rather than be a drain on resources. We are faced with the considerable challenge of doing much more for much less but Shire Hall is ideally placed to embrace this challenge. We have a unique, incredibly high-quality, beautiful building which is fit for purpose and flexible enough to host any type of event. Facing a time of uncertain financial circumstances, we must be mindful of maximum possible income generation but not at the cost of providing a seamless, memorable and special event.

With our wide range of Community groups we are now an important part of the rich Community life in Monmouth and beyond. We have built the business from the ground up and now experience visitor figures of around 70,000 per annum. Despite an ever increasing and competitive Wedding marketplace in Monmouthshire, we continue to become more popular as a place to get married. Shire Hall has recently become Monmouth's centre of learning for the Welsh language and through partnership with Coleg Gwent provides the Mynediad (entry), Sylfaen (Foundation level) and Caolradd (Intermediate) levels of learning.

We aim to deliver a high quality, customer service driven business where our paramount concern is that whatever the occasion, the experience is efficient, memorable and beyond customer expectations.

Old Station

Our purpose is to provide the best possible customer focussed, accessible tourist attraction while striving to generate economic and social benefits for the local community and also to the visitors to Monmouthshire.

Our vision is to successfully create a connection with our customers and employees as many may stay loyal for life, this will lead to giving us a chance to increase overall profitability while building a solid foundation.

The Old Station is a 10 acre countryside site sitting on the River Wye in the heart of the Wye Valley area of outstanding natural beauty (AONB). The site welcomes 120,000+ visitors each season attracted

by the multi award winning tea room situated in the original Victorian Waiting room. The site also offers a good base for walking and cycling enthusiasts and offers include a small camping field, an exhibition area, adventure play area, stunning views, a children's activity programme, a retail shop, local history exhibition, tourist information point and wedding venue.

We want to create value, excite and delight our customers by providing the best possible service and products.

We will achieve this by staying true to our core values of integrity, customer focus, creativity, respect, efficient actions, and team spirit.

Outdoor Education

Our purpose is to provide a high quality, cost efficient outdoor education and adventure activities across SE Wales and beyond.

Our vision is that our facilities and activities are designed to enhance the quality of people's lives and improve the well-being of the communities that we serve.

The outdoor service is responsible for the management and operation of three specialist outdoor centres near Abergavenny, Brecon and Monmouth providing visitors with fully catered residential facilities. Each of the sites is located close to some outstanding natural environments such as the Wye Valley, Black mountains and Brecon Beacons.

The service holds licences from the Adventure Activity Licensing Authority for caving, climbing, trekking and paddle sports and is an Accredited Activity Provider for the Duke of Edinburgh's Award scheme expedition section. Outdoor staff are highly skilled and hold NGB qualifications in a wide variety of activities enabling them to teach in many different physical environments.

We provide around 20,000 visitor days annually, the vast majority being residential school groups from south east Wales. Around 90% of clients are regular, repeat users. We also work with adult and youth groups from all over the UK. All groups are provided with bespoke programmes designed to achieve their specific desired outcomes.

Adventure activities have been included in the National Curriculum in Wales since 2008 and in England since 2013. Activities are designed to promote a diverse range of outcomes, including enjoyment, confidence building, self-reliance, team development, activity skills, risk management and environmental awareness.

The service has responded positively to funding challenges over recent years and has developed new markets, amended staffing structures and working patterns to increase efficiency and remodelled the charging regime. The result of this has been an increase in revenue with the service now circa 75% self-financing with aspirations to move to 100% in the next few years, turnover in the region of £1million. Recent research by Visit Wales has put the annual value of outdoor activity tourism in Wales at £481 million.

In addition to the core business we also provide single day visits, outreach at school sites, teacher training, CPD, school site mapping, technical activity training (such as caving, climbing, orienteering, mountain biking and canoeing) , mobile climbing wall hire, minibus driver training, camping facilities, self-catered accommodation and conference facilities.

Green Infrastructure & Countryside

Our purpose is to make Monmouthshire a green and healthy place to live, work and visit, through a well-connected and accessible network of green and blue spaces which embrace our unique and special landscape and rich diversity of species and habitats, or put more succinctly “to support resilient & active environments for all”.

At the heart of our work is an integrated Green Infrastructure approach. Green Infrastructure (GI) is the network of natural and semi natural features, greenspaces, rivers and water that intersperse and connect our villages and towns. When appropriately planned, designed and managed GI has the potential to deliver a wide range of benefits for people and wildlife. Our approach is to work in a multidisciplinary and joined up manner with partners to maximise and realise these environmental, economic and social benefits.

We are driven by a twin desire to enable active lifestyles and to work with others to maintain and enhances a living natural environment with healthy functioning ecosystems that supports social, economic and ecological resilience.

To help this we provide integrated services managing public rights of way, countryside and coastal access, countryside / heritage visitor sites; protecting trees & hedgerows; conserving and enhancing biodiversity and landscape; coordinating play strategy; supporting partnerships, including the Wye Valley Area of Outstanding Natural Beauty (AONB) partnership and other landscape scale projects, such as the Living Levels Partnership. We also provide specialist advice to internal and external customers on green infrastructure issues (on landscape, biodiversity, and access) with the aim of enabling people to protect and enhance the environment.

We support the tourism economy by promoting the county's walking product and by managing distinctive countryside and heritage sites. We provide and support opportunities for residents and visitors to enjoy active and healthy lifestyles through activities, events, arts, learning and play. We provide direct and indirect volunteering and community involvement to help individuals access and benefit from education, training and skills development and contribute to healthy and fulfilled lives.

Tourism, Marketing, Development and Visitor Information

Our purpose is to increase the competitiveness of Monmouthshire as a year round sustainable tourism destination to grow the economic, environmental and social contribution of Monmouthshire's visitor economy.

Our vision is to achieve a strategically driven and coordinated approach to destination development, management and marketing to increase Monmouthshire's contribution to the regional and national visitor economy of Wales.

We will achieve this by focusing on agreed priorities to make best use of available resources and by engaging with tourism businesses and stakeholder organisations in productive partnership working that is relevant to their interests and makes best use of available budgets and manpower resources. We also deliver world class visitor information that exceeds the expectations of visitors and delivers measurable and increasing benefits to the destination. We have developed and delivered effective destination marketing campaigns, which raise the profile of Monmouthshire in target markets and promote the wide range of visitor experiences on offer in the county to new and existing audiences in the UK and overseas across appropriate off and online channels.

One of our main aims is to support an ambassador programme to increase dwell time (and spend) of visitors and distribute the benefits of tourism more widely across the county and in doing so increase

advocacy and repeat visits. We also want to support the development and marketing of council-operated attractions to enhance the visitor experience and increase sustainability. Supporting training and business skills across the county to raise standards and increase satisfaction with the Monmouthshire visitor experience is key to our success and one of our main aims is to drive up tourism business performance in the county and developing year round visitor demand. Another main function for the service is to commission and manage research projects to provide Monmouthshire tourism businesses with the destination intelligence they need to support business growth.

Youth

Monmouthshire Youth Service manages and sustains statutory youth work and young people's counselling services, supporting young people to develop holistically by working with them through voluntary relationships to facilitate their personal, social and educational development. Through its participative nature, the Youth Service provides informal and non-formal learning opportunities for young people taking into account their needs and respecting their diversity. We are a central partner in youth support services, working together with partners to ensure young people receive their entitlements, develop their voice, influence and place in society as empowered individuals and members of groups and communities. The Youth Service works with young people aged 11-25 to support their holistic development, through provisions such as youth clubs and centres, outreach work, participation work and projects such as D of E.

Museums

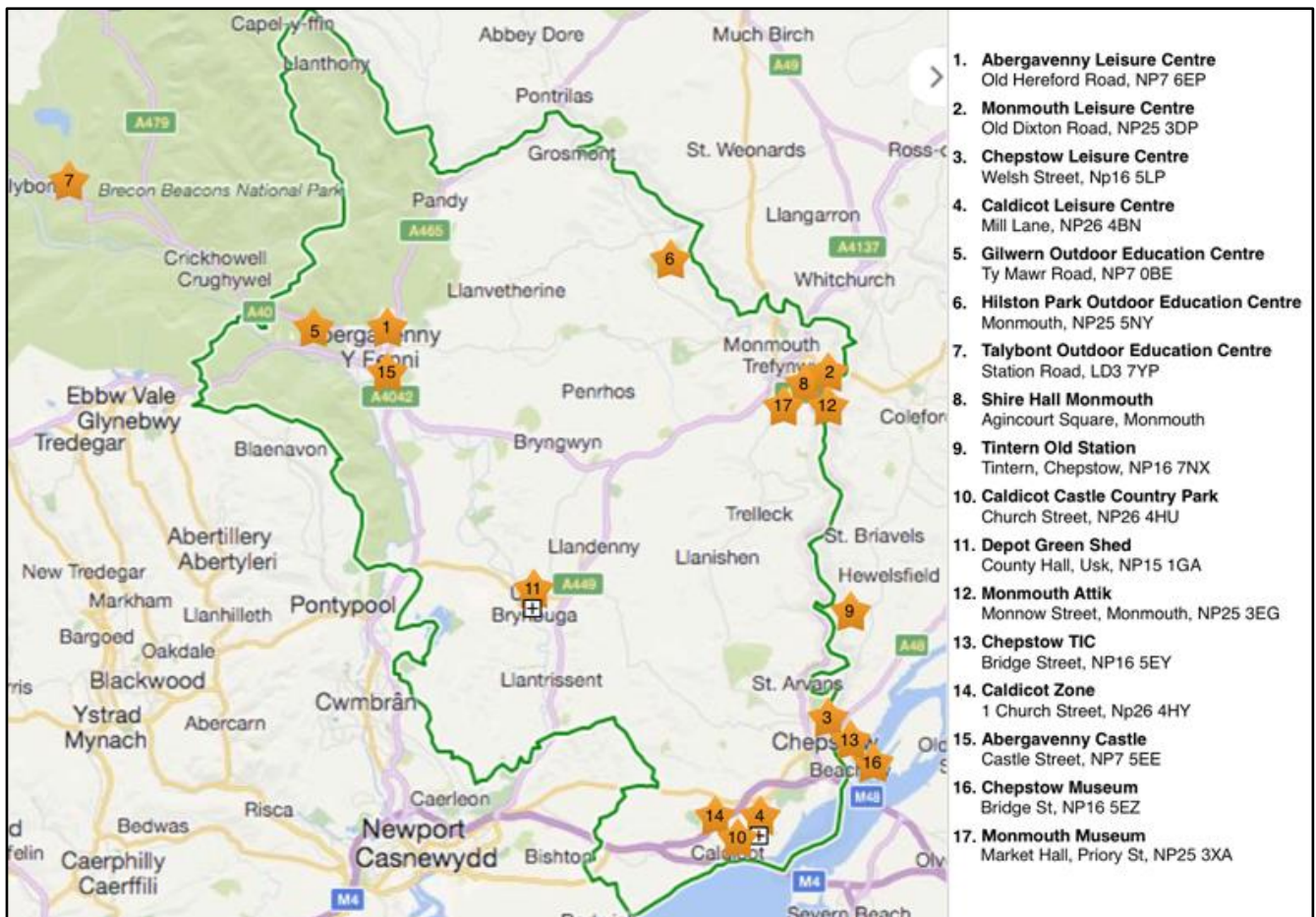
Our vision is inspiring a passion for Monmouthshire with a mission to bring heritage, collections, arts and culture alive with our communities and visitors.

We have two key strategic aims with the first being to create a cross-county museum offer to encourage a sense of pride and community identity whilst identifying opportunities for arts and culture development. This would be achieved by converting a suitable space under one roof to create a 'Collections Centre' and public exhibition area, financed through a major capital funding bid. Currently Monmouth locations are under consideration. In this space staff would be centralised, alongside provision of publically accessible storage, research facilities, learning areas, conservation lab/workshops and community/volunteer spaces. In addition to this there is the potential for public displays of the Nelson Collection and Monmouth History. The best case scenario would be for this to be in the same building, if space allows, to enable most efficient and economical use of staff, buildings and resources. At the moment options are under consideration. As part of the capital bid, proposals will be included to maintain, adapt and improve the two existing museum locations in Abergavenny and Chepstow to ensure access to Arts, Heritage and Culture across the county. Consideration has also been given within the plan to the visitor offer relating to Caldicot Castle.

The second strategic aim would be to ensure we have a resilient and sustainable service. This would be achieved by improving and extending our income streams; increasing and widening our user base and raising awareness of the Museums offer; whilst contributing to a vibrant community by adapting and working in new and innovative ways. Our guiding principle will be to further encourage the flourishing of museums, heritage, arts and culture in Monmouthshire.

Appendix D - Asset Listing

Assets of service's proposed within the new delivery model



Leisure Services

Leisure services are based in 4 sites across Monmouthshire, providing a wide range of leisure and sporting activities for the wider community



Abergavenny Leisure Centre
Address: Old Hereford Road, Abergavenny
NP7 6EP



Caldicot Leisure Centre
Address: Mill Lane, Caldicot NP26 4BN



Chepstow Leisure Centre
Address: Welsh Street, Chepstow NP16 5LR



Monmouth Leisure Centre
Address: Old Dixton Road, Monmouth NP25

3DP

Outdoor Education

Outdoor Education is sited across 3 centres, 2 of which are owned by MCC. The service offers a range of outdoor activities for schools, youth groups and adults.



Gilwern OEC
Address: Ty Mawr Road, Gilwern, Abergavenny NP7 0EB



Hilston Park
Address: Newcastle, Nr Monmouth NP25 5NY



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**Talybont is owned and maintained by Newport CC*
Address: The Old Station, Station Road, Talybont on Usk, Powys LD3 7YP

Attractions and Tourist Information

We have 4 sites to incorporate our attractions and promote tourist information and visit Monmouthshire. Our attractions offer some of the most impressive buildings with historical interest and activities to engage all ages.



Shire Hall, Monmouth
Address: 3 Agincourt Square, Monmouth NP25 3EA



Tintern Old Station
Address: Tintern, Chepstow, NP16 7NX



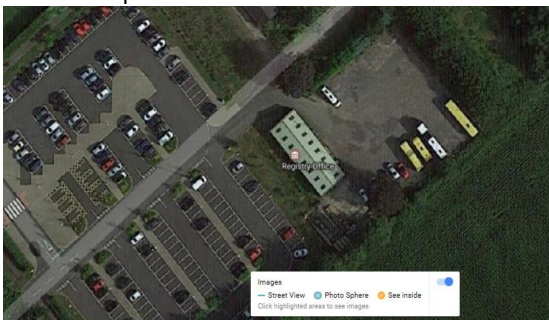
Caldicot Castle Country Park Depot
Address: Church Road, Caldicot NP26 4HT



TIC Chepstow
Address: Castle Dell Car Park Bridge Street, Chepstow NP16 5EY

Countryside

Countryside services oversee a vast range of sites used for storage; house teams within Countryside and to provide outdoor experiences for residents



Green Shed Countryside at County Hall Usk
(and open storage as the shared PSU depot)



Wye Valley AONB Offices on Hadnock Road
Address: Hadnock Road, Monmouth NP25 3NG



Raglan Depot



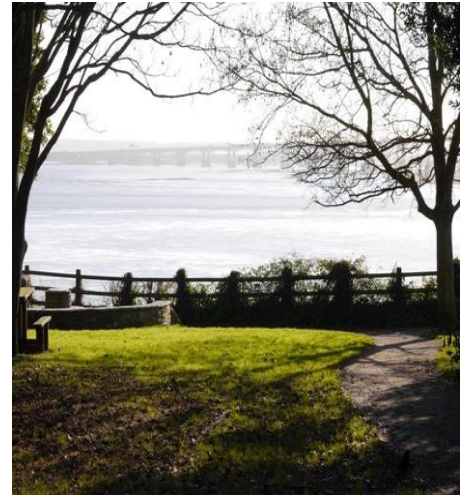
Castle Meadows



Clydach Ironworks



Warren Slade



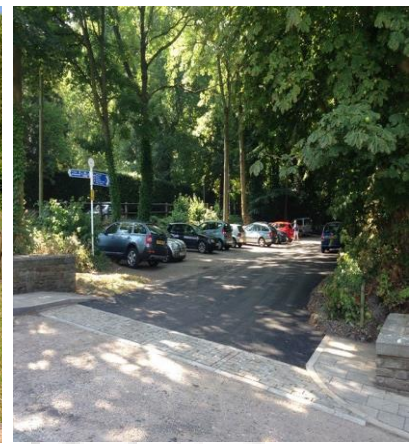
Black Rock



Rogiet Countryside Park



Tintern Abbey Furnace



Llanfoist Crossing

Museum Service

The Museum service offers visitors and local people the opportunity to experience our past, heritage and culture.



Chepstow Museum
Address: Gwy House, Gwent, Bridge St, Chepstow NP16 5EZ



Monmouth Museums
Address: Market Hall, Priory St, Monmouth NP25 3XA



Abergavenny Castle and Museum

Address: Castle St, Abergavenny NP7 5EE



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Appendix E – Possible Funding Opportunities (Not all available to Local Authorities)

Organisation	Fund Value	Grant Value (if known)	Deadline	Giving Notes	Links to Wellbeing and Future Generations Act Themes	Applications Notes
Awards For All (Big Lottery)		£500 - £5,000	Anytime	We will fund projects which support community activity, extend access and participation, increase skill and creativity or generally improve the quality of life of people in their area	1; 3; 5	
Bernard Sunley Charitable Foundation (The)	£3.1 million	Up to £50,000	Anytime	Focus on community, education, health and social welfare. Must be applying specifically for assistance towards a capital project. Will NOT fund running costs including salaries.	2; 4; 5	Must be a registered charity.
Big Lottery Fund – People and Places		Up to £1 million	Ongoing	Funding capital and revenue projects that encourage co-ordinated action by people who want to make their communities better places to	1;2;3;4;5;6;7	
Charles Hayward Foundation (The)	£59.5 million	Up to £25,000	Quarterly	Main grant programme - social and criminal justice, heritage and conservation. Project costs and capital development.	2;4;6	2-stage process.
Clive and Sylvia Richards Charity Limited (The)	£997,000	Up to £250,000	Anytime	The charity focuses its support on education, healthcare, heritage, the arts, religious institutions and overseas educational and religious institutions. Provides support to charity organisations where they seek to be a catalyst to unlock other funding so	1;2;3;4;5;6;7	Already in discussions with museum service (strong interest in Nelson collection). Must be a registered charity.
Clare Duffield Foundation (The)	£5.8 million	Up to £500,000	Anytime	Supports cultural learning, creating learning spaces within arts and heritage organisations, leadership training for the cultural and social sectors, social care and enhancing Jewish life.	1;4;6	Must be a registered charity. Rarely funds staff posts.
Comic Relief	£99 million	Up to £10,000	3 times a year	Supports UK locally-based groups or organisations which have a clear understanding of local need in improving health and wellbeing of vulnerable and disadvantaged people.	1;3;5	

Organisation	Fund Value	Grant Value (if known)	Deadline	Giving Notes	Links to Wellbeing and Future Generations Act Themes	Applications Notes
Children In Need	£46 million	£10k to £40k	3 times a year – Jan; May and Sept	Support not-for-profit organisations that work with disadvantaged children and young people of 18 years and under who live in the UK, the Isle of Man or the Channel Islands		
DCMS Wolfson Museums and Galleries Improvement Fund		Up to £300,000	July-annually	Aim to improve the quality of displays, exhibition spaces, collection interpretation and disabled access in museums & galleries	4;6	Must be a registered charity
Denza Robins Jones Charitable Foundation (The)	£268,000		Bi-Annually	Shows a preference for South Wales. Mainly supports medical and educational charitable causes which benefit the local South Wales community.	1;2;4;5	
Esmee Fairbairn Foundation	£34.3 million	Up to £50,000	Anytime	Aim to provide support to 'exceptional people with inspiring, workable ideas and organisations with latent or emerging models'. It states - "we are prepared to fund where others do not and to confront issues that are unseen or unacknowledged". Preference	1;2;3;4;5;6;7	Must be a registered charity. 2-stage process.
Foyle Foundation (The)	£5.2 million	Up to £50,000	Anytime	Support projects which facilitate the acquisition of knowledge and have a long-term strategic impact. Including: Museums, Libraries & Archives and projects which help generate additional revenue.	1;6	Must be a registered charity. Decision can take up to 4 months.
Garfield Weston Foundation (The)	£54 million	Up to £3 million	Anytime	This huge foundation makes about 1,500 one-off grants a year, typically for amounts ranging from £40 to £3 million. Areas of work: General charitable purposes with preference to education, the arts, health, welfare, environment, youth, religion and other	1;2;3;4;5;6	Must be a registered charity. Typically a one-year gift.

Organisation	Fund Value	Grant Value (if known)	Deadline	Giving Notes	Links to Wellbeing and Future Generations Act Themes	Applications Notes
Gwendoline and Margaret Davies Charity (The)	£104,000	Up to £30,000	Anytime	Donations are made to organisations which benefit the people of Wales and to other charitable organisations which are mainly Welsh.	1;6	Must be a registered charity.
HLF - Heritage Endowments Programme		Up to £1 million	Expected October 2017	Designed to build a strong and resilient future for heritage organisations and help them secure a regular source of annual income for the future in the changing economic landscape of reduced public funding.	1;2;3;4;5;6;7	2-stage process. Must provide 50% match funding through own fundraising.
Linbury Trust (The)	£7.45m	Upwards of £100,000	Anytime	Support is given to Arts (capital projects), Education, Museums & Heritage, Environment, Medical, and Social Welfare (particularly disadvantaged young and those living with dementia).	1;2;3;4;5;6;7	Must be a registered charity. Part of the Sainsbury Family Charitable Trusts.
Postcode Community Trust	£176,000	Up to £10,000 (Wales)	Expected August 2017	Interests: Community development and cohesion including support for young carers, relieving isolation, projects which enable volunteering opportunities to help regenerate communities	1;2	Must be a registered charity.
Monument Trust (The)	£74.6m	Upwards of £500,000	Anytime	Grants to: Arts & Heritage of regional importance (particularly economically depressed areas); Health and Community Care; Criminal Justice/Social Development.	1;2;3;4;5;7	Must be a registered charity. Part of the Sainsbury Family Charitable Trusts. Generally applications are invited by the Trustees.
Newbridge Charitable Trust			Anytime	Main focus is to charitable projects in Wales with purposes of advancement of education and training and; promotion of healthcare and relief of sickness.	1;2;3;4;5;7	Linked to Celtic Manor.

Organisation	Fund Value	Grant Value (if known)	Deadline	Giving Notes	Links to Wellbeing and Future Generations Act Themes	Applications Notes
People's Postcode Trust (The) - Small Grants Scheme	£1.7 million	Up to £10,000	Usually October for Wales region	Preference is given to initiatives that are 'focused on improving life for disadvantaged groups and encouraging their inclusion within society'. Welcome applications for projects that have a focus on sport, health, poverty and environmental improvement	1;2;3	Must be a registered charity. Two funding rounds a year.
Peter de Haan Charitable Trust			Usually November	Supports organisations that aim to improve the quality of life for people and communities in the following three areas: Social Welfare, The Environment, and The Arts. Trustees are keen to support substantial projects of more than £50,000 per year.	1;2;3;4;5;6;7	Must be a registered charity.
Peter Harrison Foundation - Opportunities through Sport Programme		Up to £25,000	Anytime	Supports projects which provide opportunities for people who are disabled or otherwise disadvantaged to fulfil their potential and develop personal and life skills through the medium of sport. Grants are usually made for capital projects.	1;3;4	Must be a registered charity.
Postcode Dream Trust - Dream Fund	£2 million		Usually September	Gives organisations the chance to deliver the project they have always dreamed of, but never had the opportunity to bring to life. Areas of work include: Sports; community development; environmental protection; health; human rights; prevention of poverty	1;2;3;4;5;6;7	Must be a registered charity. The lead partner in any application must have an annual income that is at least three times the amount being applied for. 3 - stage application process.
Simon Gibson Charitable Trust	£583,000	Up to £25,000 (average £5k)	March - annually	Preference for East Anglia, South Wales and Hertfordshire. Previous beneficiaries' arts/culture focused.	1;6	Must be a registered charity.

Organisation	Fund Value	Grant Value (if known)	Deadline	Giving Notes	Links to Wellbeing and Future Generations Act Themes	Applications Notes
Trust House Charitable Foundation	£1 million	Up to 10k - £45k	One off payment	Community Support: For example: work with young people; community centres; support for carers; older people's projects; help for refugees; family support; community transport; sports projects; rehabilitation of ex-offenders; alcohol and drug misuse project	1;2;3;4;5;6;7	
Waterloo Foundation (The)	£5.9 million	Under £100,000	Anytime	Arts, Education and Heritage: For example: arts projects for people with disabilities; performance or visual arts with a clear and strong community impact; alternative education projects; supplementary teaching; heritage projects in marine or industrial a	1;2;3;4;6	No unsolicited approaches currently being accepted for Wales fund.
Wolfson Foundation (The)	£49.7 million	Upwards of £5,000 (often significantly more)	1 March & 1 September	Grants are a catalyst for capital projects which are currently underfunded. Aims to encourage merit in cultural and academic spheres. Projects under £15,000 not eligible.	1;2;6;7	Must be a registered charity. 2-stage application process.



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Appendix F – Scoring Matrix Options Appraisal Outcomes

Individual scoring of each workshop

Below is the summary of each team’s completed matrix.

	Criteria	Option 1: Doing Nothing	Option 2: Transforming the Service in House	Option 3: Moving the Services into an Alternative Delivery Model	Option 4: Outsourcing the Services to a Third Party
Staff from service areas	Weighted Score (out of 100)	28	60	67	36
Project Team	Weighted Score (out of 100)	25	52	76	44
TLCY Managers	Weighted Score (out of 100)	26	48	57	28
Elected Members	Weighted Score (out of 100)	28	54	74	40
	RANKING	3	2	1	4

The assist in scoring each participant was aided by a detailed description of each potential option available.

1. Doing Nothing

- A reduction in revenue budget to accommodate savings over the next four years at least
- Restructuring of service
- Increased burden in National Non Domestic Rates (NNDR)
- Investment streams may be severely limited
- Capital assets still maintained by the council
- Management control of the community assets remains with the council
- Decision making process long winded and at times cumbersome
- Invest-to-save projects compete with other council services for the finance available
- Potential for local priorities to take precedence over sport and leisure needs
- Cross department and partnership working very effective
- Potential use of prudential borrowing is an advantage

2. Transform in House

- A reduction in revenue budget to accommodate savings over the next four years at least
- Restructuring of service and re-targeting of resources
- Increased burden in National Non Domestic Rates (NNDR)
- Investment streams may be severely limited
- Capital assets still maintained by the council
- Management control of the community assets remains with the council
- Decision making process long winded and at times cumbersome
- Invest-to-save projects compete with other council services for the finance available

- Potential for local priorities to take precedence over sport and leisure needs
- Cross department and partnership working very effective
- Potential use of prudential borrowing is an advantage

3. Transfer to a new Alternative Deliver Model

- National Non Domestic Rates (NNDR) and (b) VAT – (a) savings can be substantial and reinvested in the service; (b) council's threshold for VAT could be improved
- Focus on sport and physical activity and Culture services
- Greater opportunities to develop/attract other income streams. Could lack economies of scale (this would become evident as part of an assessment exercise)
- Management can grow business outside of LA control – freedom from LA framework and decision making process
- LA can retain a degree of influence and indirect control - Loss of direct control and influence over services to an independent body
- Provides flexibility in terms of grant funding - Lack of ring fencing means the ADM reliant to a degree on uncertain grant funding
- Can promote community engagement and involvement - Can be difficult finding Trustees / Board Members with right skills and experience
- Can allow savings to be reinvested in services and facilities. Can be hard to attain investment in early years
- Authority may need to realise savings in back office support costs
- Improves the LA's partial VAT exemption position
- May open up alternative sources of investment - Reliant on existing management to develop this source
- Potential for more staff and community involvement and engagement – a number of trustees on the management group will be from the community. They may include people with successful business experience
- Can boost future 'not for profit' capacity in other service areas. Too much control by the LA can limit ability of the ADM to operate effectively
- Transfer of capital assets –for example through a long term lease agreement.
- A simpler regime for board members
- Likely to involve a quicker charitable status process thus opening up the benefits of rates relief at an earlier stage.

4. Outsource to a private sector operator or other non for profit operator

- National Non Domestic Rates (NNDR) savings may be made (if charitable organisation)
- Outsourcing protects resources by ring-fencing spending through a contract to an existing operator
- Low set up costs and lower support costs if an existing operator
- Focus likely to be on an increase in income – contract needs to stress council/community objectives.
- Access to external investment
- Economies of scale and access to specialist services
- Transfer of operating risks
- TUPE transfers can be expensive
- Ties LA into a medium to a long term contract which may be inflexible. Short term contracts would in all likelihood restrict investment
- Authority will need to realise savings in back office support costs

- Savings reduced but need to pay a management fee
- External investment can be expensive but a longer contract may enable more investment. It is likely though that the council may obtain capital investment at a lower cost
- Additional contract monitoring costs have to be taken in to account - the council would have to set up a monitoring group to oversee the contract
- A competitive procurement process would need to be undertaken – costs could be quite significant.



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Score 1 to 10, where 1 is poor, 10 is excellent

Title	Objectives	Weigh-ting %	SCORING 1 – 10			
			Option A	Option B	Option C	Option D
			Doing Nothing	Transforming the Service in House	Moving the Services into an ADM	Outsourcing the Services to a Third Party
Quality	The option will deliver the set quality standard agreed with stakeholders and has the ability to adapt and improve over time.	20				
Operational Efficiencies	The option presents a clear opportunity for driving operational efficiencies through expertise of management, economies of scale and a commercial outlook.	15				
Commerciality	The option provides enhanced long-term commercial viability for Culture and Leisure assets, based on skill sets, experience and sectorial understanding.	15				
Community	The option provides opportunities to engage with and benefit the wider community.	10				
Accountability and Governance	The option provides the council and community with a degree of transparency, flexibility and comfort over the ongoing delivery of the services and the council's interest in the services.	5				
Resources and Investment	The option provides for the effective utilisation of resources and investment to allow for the successful delivery of the services in a sustainable manner. This includes staff and managerial resources working together to realise the main organisations goals and objectives.	5				
Reputation & Political Considerations	The option is unlikely to present significant objections from the Council's stakeholders.	5				
Risk Management	The option provides opportunity to manage the relevant risks associated to service delivery.	5				

Education	Providing learning experiences to enable young people to fulfil their potential as empowered individuals & members of communities through the provision of an adequate Youth and Outdoor Education Service.	5				
Protection of vulnerable People	Supporting an active and healthy Monmouthshire and a healthy lifestyle through physical activity/ provision of a GP Exercise Referral Scheme. Youth counselling service / training programmed for Volunteers	5				
Supporting Enterprise	Raising profile of Monmouthshire / attracting visitors/ links with local businesses	5				
Maintaining Locally Accessible Services	Full range of services in towns, investing in buildings/ attracting greater visitor numbers	5				
		100				

***Please total up your columns

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Can you please give some reasons on why you have opted for the model that has scored the highest?



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Appendix G - Option Appraisal Workshop

Date of workshop	List of representatives / departments etc.,
22 nd November 2016	Members of the project team (5 in total)
25 th November 2016	Four groups of staff members from the service areas (26 staff in total)
14 th December 2016	A number of Members completed the matrix at the Members seminar (4 in total)
6 th February 2017	All of TLCY Managers completed the matrix (8 in total)

Background

Workshops were held with representatives of the Project Team and officers from MCC. Individuals had previously been briefed regarding the project background, including the Future Monmouthshire vision, the four proposed options as well as the specific scoring criteria. The objective of the workshops was to score each of the possible service options, based on the predefined criteria and weighting. The criteria and weighting had been previously approved by the project team. After this scoring process it was intended that the group would reach a consensus decision on the preferred option.

Scoring Process

Workshop participants were split into groups and each group scored each criteria for each of the four different service options. Scores were allocated from 1 to 10, with one being poor and 10 being excellent. Each group explained their rationale for each score they allocated. These were collated and summarised in the narrative below. Scores were collated and averaged and have been summarised below.

Results From the analysis it is clear that option 3, the transfer to a new ADM was the favoured option as outlined in Appendix F.

As part of the workshop and scoring matrix, participants gave reasons why they had opted for the model that scored their highest score. Here are some examples:-

- An ADM will give us opportunity to develop and communicate clear business goals / objectives to focus resources and activity.
- An ADM offers the best mix of local accountability, efficiency, and the ability to increase speed of decision making.

- The ADM I think gives us the greatest opportunity. An outside provider can do almost as much but will have a profit element for its shareholders .They may well be able to draw in extra investment but at a cost overall.
- We cannot not do anything, services are struggling now so we need a chance to be able to sustain and grow again in the future. Although in-house is a good option, an ADM will provide the most secure option for the future.
- I opted for the ADM as my preferred model as it met all the criteria for establishing a successful viable entity for the services in the future. It also still meets the key objectives of MCC.

Conclusion

It was agreed that the ADM is the preferred option from this qualitative analysis and will be taken forward on the Final Business Case.



Appendix H – ADM Company Structure

	Company Limited by Shares (CLS)	Company Limited by Guarantee (CLG)	Charitable Incorporated Organisation (CIO)
<i>Suitable for?</i>	Trading Company/Local Authority Teckal company	Trading Company/Local Authority Teckal company/Charity	Charity
<i>What is it?</i>	CLGs have a “share capital”, which is a nominal figure used to represent the total net assets of the company. Shares are issued to shareholders, who become the owners of the company. The shareholders’ potential liability is limited to the amount of their investment.	CLGS do not have a share capital and the members give a nominal guarantee to cover the company’s liability, normally limited to £1. By not having a share capital, CLGs do not have the inbuilt “for-profit” framework that CLGSs do (which allow investors in the company to receive a return on their investment). CLGs are traditionally associated with charities, trade associations and not-for-profit companies. CLGs are owned by its ‘members’ as it does not have ‘shareholders’.	CIOs are corporate bodies designed specifically and exclusively for charities. They are an alternative to charitable CLGs, charitable trusts and charitable unincorporated associations.
<i>What are the criteria and constitution ?</i>	Cannot be charitable. <u>Constitution:</u> The rules of the company are contained in the Articles. The Memorandum records the initial shareholders of the company which is updated with each annual return.	The organisation must be limited and cannot declare dividends to members, but other forms of distribution may be permissible, depending on the Articles. <u>Constitution:</u> The rules of the company are contained in the Articles. The Memorandum records the initial members of the company which is updated with each annual return.	Cannot distribute profits to members or shareholders. Must apply its assets to carrying out its charitable purposes. <u>Constitution:</u> Constitution must be in form specified by Charity Commission (Association or Foundation CIO).
<i>Power structure</i>	Two-tier consisting of: a small group of individuals responsible for the day-to-day running of the organisation (the Board of Directors) ; and Shareholders (who may or may not be the same people as the Board) which hold the Board to account. Shareholders have a number of fundamental powers: in particular, the power to	Two-tier consisting of: a small group of individuals responsible for the day-to-day running of the organisation (the Board of Directors) ; and Members (who may or may not be the same people as the Board) which hold the Board to account. Members have a number of fundamental powers: in particular, the power to	Two-tier consisting of: Charity trustees (responsible for day-to-day running of the organisation; and Members. Trustees and Members can be the same people but do not need to be.

	Company Limited by Shares (CLS)	Company Limited by Guarantee (CLG)	Charitable Incorporated Organisation (CIO)
	dismiss the board and to change the constitution.	dismiss the board and to change the constitution.	
<i>What are the obligations?</i>	Companies Act 2006 plus associated regulations. Regulated by Companies House.	Companies Act 2006 plus associated regulations. Regulated by Companies House. If a charity – the governing docs must be approved by the Charity Commission.	Single registration with the Charity Commission. Less onerous requirements for preparing accounts – small CIOs prepare receipts and payments accounts and larger CIOs prepare accruals accounts. Less onerous reporting requirements – only prepare an annual report (companies have to prepare directors report too). Only one annual return.
<i>Tax Incentives</i>	Corporation Tax.	Corporation Tax. No special tax treatment unless registered as a charity with the Charity Commission. Charities potentially benefit from the following tax advantages:- no corporation tax to pay on surpluses; exemption from SDLT; and partial exemption from business rates (with potential for discretionary relief for the remainder.	Charities potentially benefit from the following tax advantages:- no corporation tax to pay on surpluses; exemption from SDLT; and partial exemption from business rates (with potential for discretionary relief for the remainder.
<i>Flexibility of activities</i>	Anything (best interests of company).	If non-charitable, anything, but usually objects are for the benefit of the community in some way. If charitable – activities must be charitable or pose no significant risk to charitable assets.	Must be charitable in law.
<i>Portability of Assets</i>	No prohibition.	No prohibition unless a CIC or charity (in which case cannot usually distribute assets to members and, if charitable, must be used for charitable purposes).	Restricted – CIO has power to do anything which is calculated to further its purposes or is conducive, or incidental, to doing so and assets must be applied in accordance with the constitution.
<i>Extraction of Profits</i>	Shareholders usually entitled to dividends.	No 'shareholders' so no dividends. Profits cannot be distributed to members if a charity.	Restricted – CIO income must: be applied solely towards the promotion of its objects not be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any of its members.

	Company Limited by Shares (CLS)	Company Limited by Guarantee (CLG)	Charitable Incorporated Organisation (CIO)
<i>What are the benefits?</i>	<p>Usual governance structure for commercial organisations or trading/development subsidiaries.</p> <p>Limited company can provide 'financial assistance' to other members of a group structure. Very familiar structure for funders.</p> <p>Limited liability – directors are protected (unless they have acted fraudulently or continued to run the company when it is insolvent i.e. 'wrongful trading'). Shareholders liability limited to investment.</p>	<p>The structure is simple and the law underpinning the organisation (Companies Act 2006) is well known. CLGs are widely recognised and understood as a governance structure, particularly for charitable organisations. If registered with the Charity Commission it obtains a 'charity number' which is often required for funding and grants.</p> <p>Limited liability – directors are protected (unless they have acted fraudulently or continued to run the company when it is insolvent i.e. 'wrongful trading'). Members' liability limited to guarantee amount (usually £1).</p>	<p>Likely to be fine for smaller funders.</p> <p>Less onerous than charitable CLG as only registered with Charity Commission.</p>
<i>What are the disadvantages?</i>	<p>Directors feel under pressure to prioritise profits.</p>	<p>Members cannot be financially rewarded through dividends. May limit funding options as shares cannot be issued to investors.</p>	<p>Restricted membership. Trustees can only be remunerated for expenses and issues regarding payment of salaries.</p> <p>There is no register of charges held by the Charity Commission (equivalent to that maintained by Companies House for companies) due to lack of capacity of the Commission. This will mean that funders offering more substantial sums (where they want to take a legal charge as security) will be put off.</p>

Source – Anthony Collins Option Report

Appendix I - State Aid

In circumstances where the resources of a Member State are used to give some form of advantage to an organisation, there is the potential for there to be State Aid. Where there is State Aid then the ultimate sanction is for that assistance to be repaid plus interest.

In most transactions State Aid issues are usually avoided by either;

- everything being transacted at a market value or,
- given the local nature of the services, not all of the State Aid tests are met in any event or,
- the possibility of the services constituting Services of General Economic Interest (“**SGEIs**”) In this case, if MCC is proposing a grant arrangement, then this may constitute a form of State Aid and so the potential for State Aid to arise does need to be assessed.

There is the potential for State Aid in each of the following situations relevant to MCC and the ADM:

- any sale of land at an undervalue to the ADMs;
- any grant provided by MCC to the ADMs;
- any services offered by MCC to the ADMs at no cost or at below market rates; or
- Any assets transferred from MCC to the ADMs at no cost or at below market rates.

In terms of any proposed sale of land, the European Commission has issued a ‘Communication on State aid elements in sales of land and buildings by public authorities’ (OJ C209, 10/07/1997). In order to definitively avoid State Aid, the Commission expects there to be either:

- A bidding procedure “comparable to an auction” which must be “sufficiently well-publicised, open and unconditional.” The logic here is that the winning bid must equate to market value; or
- Independent expert evaluation to determine the market price “on the basis of generally accepted market indicators and valuation standards”. If there are any special obligations relating to the land (as opposed to the purchaser) then this can be taken into account in assessing the market price.

The wording of the Communication refers to “sale” of land or buildings, rather than other disposals such as by way of lease or licence. However, it is suggested that it would cover other sorts of disposals such as leases. Therefore, any other disposal where the price paid is less than market value may be seen as State Aid. The best way, therefore, to avoid possible risk of State Aid is to ensure that the ADM is paying a market rent for its use of the premises or, if there is to be a freehold disposal, that it is paying the market price.

Several of previous agreements restrict MCC from transferring the freehold of various properties as well as the granting of any leaseholder interest. If MCC is able to and decides to grant a lease and charge market rates for the reasons stated above, it would be legitimate for the ADM to take account of these kinds of costs in assessing the price it should be paid for the Services. The overall effect would therefore be costs neutral, or at least close to it.

In the context of private business, the market rates charged include an element to cover overheads such as rent, and the ADMs should be entitled to do the same. In this way, MCC may be charged certain amounts each year for the Services but, will receive some of this back again by way of rent.

To the extent that MCC is to provide (even on a temporary basis) support to the ADM by way of back-office functions such as HR, payroll and IT, then the ADM should pay an appropriate rate for these services. This is for the same reasons as set out above in relation to market rents. Again, it would be appropriate for the ADMs to take account of these overheads when agreeing the fee for the Services, as set out above.

Source – Anthony Collins



Appendix J – Main VAT considerations when Local Authorities Outsource Provision of Services to Charities

Background VAT Issues

VAT is charged on most “business” transactions in the UK where the supplier is registered for VAT. A supplier who is not registered for VAT does not charge VAT. For VAT purposes a transaction is a business transaction if the buyer pays the supplier money, or gives the supplier some other benefit of value, in direct exchange for goods or services. Neither the buyer nor the supplier need be a business in the commercial sense for the transaction to count as a business transaction for VAT purposes. A transaction in which a public body buys a service from a charity, is a business transaction for VAT purposes.

A donation to a charity is not a business transaction for VAT purposes:

- If the charity does not give the donor any benefit of value in direct exchange for the donation; and
- If the charity does not give a third party any benefit of value in direct exchange for the donation; and
- Provided that the donation is not subject to any conditions other than conditions imposed to ensure that the use of the donation is properly accounted for.

Similarly, a grant to a charity is not a business transaction if it meets those criteria. When a “grant” is referred to it means a grant which meets those criteria and is therefore not a business transaction for VAT purposes.

VAT is a tax whose burden is meant to fall on the final consumer of services. The final consumer pays VAT on the price of services which it buys and cannot recover the VAT that it has paid. The organisation which sold the services to the final consumer, while it is liable for VAT on its costs attributable to preparing and delivering the services, is allowed to recover the VAT for which it was liable on those attributable costs, thus escaping the tax burden.

The main exception to this rule is where the services sold to the final consumer are exempt from VAT. In that case, the final consumer does not pay VAT on the purchase. The organisation which sold the exempt services to the final consumer is still liable for VAT on its attributable costs, but this time – because the services it has sold are exempt from VAT – it is not allowed to recover the VAT for which it is liable on its attributable costs. In this case the burden of the tax – by way of “irrecoverable VAT” – falls on the organisation supplying services to the final consumer, not as a direct charge to the final consumer.

Although the range of services which are exempt from VAT is limited, a number of exempt services – such as social welfare care and medical services, the care of children and the elderly, and education – are commonly provided by charities. In providing exempt services charities do not charge VAT but equally cannot recover the VAT for which they were liable on their attributable costs. The burden of the tax therefore falls on charities when they provide exempt services.

Public bodies, even when they provide the same exempt services as charities, are treated differently from charities for VAT purposes. Most services provided by public bodies are entirely outside the scope of VAT, which means that they do not charge VAT to the final

consumer of their services. But, unlike charities, public bodies have a right to recover the VAT for which they were liable on their attributable costs. Section 33 of the VAT Act 1994 gives that right to local authorities and to some other specified public bodies in respect of all their non-business activities. Section 41 of the same Act gives that right to Government departments and NHS bodies for a more limited range of contracted-out services. These statutory rights of recovery are intended, among other things, to prevent VAT from acting as a disincentive to public bodies to outsource services.

What are the VAT implications of different funding methods?

When a public body outsources a service to a charity there are essentially two different funding methods available to the public body to finance the service:

- by grant-funding the charity - *this is not a business transaction for VAT purposes*
- By procurement under a contract for service – *this is a business transaction for VAT purposes.*

The VAT position, and the differences from a charity's point of view in the VAT position as between grant funding and procurement, are as follows.

A grant by a public body to a charity is not a business transaction for VAT purposes. That being so, the charity is not making any taxable supply to the public body and there is nothing on which VAT could be payable by the public body. The public body, therefore, does not have to budget for paying VAT on the amount of the grant. However, because the charity is not making any taxable supply to the public body, the charity is not entitled to recover any VAT for which it is liable on its attributable costs. The charity will have to bear the cost of the irrecoverable VAT and should take that into account when budgeting for its service and deciding how much grant money to apply for in the first place.

Procurement by a public body of a service from a charity under contract is a business transaction for VAT purposes. Where the service is subject to VAT (i.e. is not an exempt supply) the public body will pay VAT on the purchase price of the service. It will normally then be able to recover the VAT under its statutory right of recovery (see para. 7 above). Equally, the charity will be able to recover the VAT for which it is liable on its costs attributable to the service. Where the service is an exempt supply, however, the public body will not pay VAT on the purchase cost of the service, but neither will the charity be able to recover any of the VAT for which it is liable on its attributable costs.

From a charity's point of view, *where all other things are equal* a procurement arrangement leading to a contract for the provision of the service is more VAT-efficient than a grant arrangement where the charity is providing a service which is a taxable supply. Where the supply is exempt there is no effective difference between grant and contract – the VAT costs of the charity are equally irrecoverable, and there is no VAT for the public body to recover under the special recovery rules.

	Grant-funding	Procurement
Taxable service	There is no taxable supply because the grant is not a business transaction. The charity incurs irrecoverable VAT on its attributable costs.	The public body pays VAT which it will usually be able to recover under its statutory right. The charity can recover VAT on its attributable costs.
Exempt service	There is no taxable supply because the grant is not a business transaction. The charity incurs irrecoverable VAT on its attributable costs.	The public body pays no VAT. The charity incurs irrecoverable VAT on its attributable costs.

Source: Charity Tax Group – Grants and Contracts: Outsourcing by public sector bodies: VAT implications for charities



Appendix K – Risk Register

Risk	Impact	Probability	Mitigating Actions/Notes
Failure of ADM to achieve financial targets	High	Medium	Draw up business plan in conjunction with existing management and independent consultants. This will include a sensitivity analysis around potential income and associated costs.
Delays in agreeing support service arrangements with MCC	Medium	Medium	Need to identify staff and time currently allocated to supporting existing services - Central Finance to work on reviewing allocation methodology.
Length of process	Medium	High	Meet our deadlines and ensure all relevant officers are aware of these deadlines.
Reduced Political Interest	High	Medium	Need to ensure effective client relationship and reports to Councillors on performance/regular meetings /member workshops.
Reduced Financial support in future years	High	High	Adjustments to SLA/alter level of service in line with reduced budget.
Poor Quality Performance by ADM	High	Medium	Performance is to be monitored and controlled using a new dashboard approach on a monthly basis by the ADM Board and a set of KPIs is being developed and through establishing a clear outcome measurement framework. Regular reporting will also take place to MCC on overall performance and progress. Client staff needs to be retained by Council to plan future service requirements and to monitor ADM's performance.
Inability to recruit board trustees	High	Low	Need to establish process for establishment of shadow board significantly prior to go live date.
Lack of experience within the ADM to operate effectively as a business	Medium	Medium	Recruit Board members with expertise and commitment, particularly the Chair. Learn from other ADMs/ Trusts. Ensure have effective business support arrangements in place. Need to demonstrate VFM.
Problems with TUPE and other employment issues	High	Medium	Need to have implementation plan - need significant time for consideration of TUPE and other employment considerations. Need to include consideration of existing staffing structures and likely impact of transfer to the ADM. Need to involve MCC Personnel/Unions.
Increased costs associated with set up of Trust	High	Medium	Trust business plan needs to incorporate detailed breakdown of anticipated costs. Who is MCC's project champion?
Condition Surveys	High	High	The trust requires updated surveys. The Head of Property Services has collated existing condition surveys, identifying any substantive works since their production and identify gaps. A programme to complete a tender process and survey properties to ensure due diligence is addressed is in progress to mitigate this issue.
Failure to achieve charitable status	High	Low	Early engagement needs to take place with Charity Commission for implementation including corporate governance structure as well as refinement of the appropriate Article of Association. All trusts set up by councils have gained charitable status.
Unable to Secure NNDR Relief	High	High	The project team has engaged with the Rates Section and Assessor at an early stage of the process. Based on the project team's review of the properties, no issues are anticipated. This is,

Risk	Impact	Probability	Mitigating Actions/Notes
			however, extremely unlikely given the importance of this relief to a vast diversity of charitable organisations.
Financial benefits lost because of change in government policy on NDR relief	Low	High	No indication of desire to change current policy. Should the policy change in future the cost of the services would be no greater than if it remained in house.
HMRC Ruling on Approach to VAT	High	Medium	We will continue consultation with HMRC to proactively address this issue.
Not achieving VAT savings or vat liability greater than expected	Medium	Medium	Advice from VAT Consultants.
Challenge in relation to State Aid / Procurement	Low	Low	Providing the Services Agreement between the Council and an ADM is structured in a manner which reflects the principles (including the level of payments under the services agreement being similarly in line with these principles), Anthony Collins to advise.
Due Diligence uncovers property Issues	High	High	An early start to property review has commenced and regular updates to inform on progress will be provided to the Board to enable action to be taken to address any issues arising.
Stakeholders do not support ADM	High	Low	Extensive consultation has taken place with staff, community organisations/groups and the public and feedback has been largely positive. Any concerns raised throughout the consultation will be addressed and are included in section six. Following any decision by members, further engagement will take place with all aforementioned groups on the requirements for the implementation phase.
Benefits of Integrated approach lost if some services are transferred to ADM and some remain with MCC	Medium	Medium	Could produce fragmented approach to delivery and ineffective strategic planning (think Youth - Education team).
Trade Union & Staff Opposition	Medium	Medium	Trade Unions oppose out-sourcing of services. Will work with MCC but need to be assured on protection of terms and conditions. Some staff are anxious about change but regular briefings to staff/answer questions are taking place as part of the engagement process.
Lack of capacity to complete all the work required in setting up a trust	Medium	Medium	Project Manager - to oversee establishment of trust. Could use external expertise but there are cost implications.
Business Case being ready in time and fit for purpose	High	High	Limited resources, additional changes required by MCC Senior Management Team is delaying the process.
Withdrawal of Grant Funding	High	Medium	There should be a lengthy consultation period which would mean that plans could be made to assess the impact of the funding withdrawal and reduce resources/make changes to the staffing structure.

Risk	Impact	Probability	Mitigating Actions/Notes
Regional models and changes in WG funding	Medium	Medium	Work is continuing with Sport Wales, Art Wales and also Museums NGB (MALD) to look closely at regional models for delivering services across Gwent. Clearly, the ADM would work in collaboration to drive the best delivery of services and ensure better outcomes are delivered should Welsh Government wish to develop these models over the future years.
Lack of financial assistance to invest in facilities	High	Medium	There is a need to re-design update certain facilities to ensure there is growth and development leading to a return on investment.
Need to recruit specialist positions	High	Medium	Likely to recruit the required personnel and skills from the market.
Business Resilience (loss of staff)	High	Medium	Up to date policies and procedures, role sharing/knowledge transfer.
Business Continuity	High	Medium	Develop Business Continuity Plan.
Contract with MCC - Lack of flexibility inhibits commerciality	Medium	Medium	Negotiation with MCC.



Appendix L - Engagement

Employee Engagement

Our staff are at the heart of delivering a genuine, personalised experience wherever they are sited within the organisation. We will engage and enable them to anticipate what the customer will want next, not just now, which will give us a competitive advantage in the future.

At the core of any successful organisation is a motivated, engaged and focussed workforce. The challenge that we is facing is considerable and our plan sets out a clear people engagement process. The employees are the most valuable asset the business has, all successful business understand this and put them at the centre of everything they do.

Employees come first – we will take care of our employees and they in turn, will take care of the customer. If they believe in the organisation and what we are trying to do, they will feel more confident about the long-term prospects. Ultimately making them engaged and offering the optimum customer experience. It's a virtuous circle.

Employee engagement is continuous and will happen through varying formats to ensure all are able to have an input at each stage.

- Staff engagement meetings (using key messages, encouraging everybody to open up and speak honestly about the need to change, recording the key messages and feeding back to team members afterwards) Engage with Senior staff to ensure they are clear about timetable and future actions (as much as possible)
- Team meetings
- One to ones where required, held at the convenience of the team members in the most cost effective way
- A questions box where people can leave written questions
- Open drop in sessions
- Blog; regular newsletters; posters
- Ensuring the team responsible for this task are visible and easily contactable by phone, e-mail
- Ensure all levels and teams are able to access all information
- Create an ambassador group from all levels and parts of the organisation and enable them to be the positive voice of change with colleagues.

Community / Service User engagement

Engaging community and service users in our work is a powerful force for positive change and improvement. By focusing on people in all we do, we can ensure the services they access can be sustained, improved and meet the needs of users.

Visual representation from our Engagement with service users and staff

Results of the 'What Matters' exercise carried out with service users during August 2016
<https://www.youtube.com/watch?v=XsyohXe7muc&feature=youtu.be>

What looks good to staff members?

<https://www.youtube.com/watch?v=XsyohXe7muc>

Internal engagement

As part of the internal engagement, we have ensured that all relevant colleagues from within Monmouthshire County Council have been involved. At each stage of the process we have accessed support from colleagues in Legal, Human Resources, Economic Development, Finance, Organisational Development, Estates and Property Service. We have also regularly met with officers within the Senior Leadership Team.

Throughout the process we have been afforded support, expertise, resources and at times have acted as a critical friend to challenge and scrutinise each stage of the process.

County, Town and Community Council engagement

We have continued our engagement with locally elected members and have ensured they are able to comment on each stage of the process leading up to final decision. Post decision we will continue to engage and build on strong partnerships to ensure all areas of Monmouthshire benefit from the services offering.

Trade Union Engagement

We have continued to inform/consult with our employees through "appropriate" elected representatives and recognised Trade unions.

We will continue to ensure that all Trade Union representatives are engaged in the process at each stage, and are able to feed comments into papers where decisions are to be made. We are aware of our statutory responsibilities under TUPE and will ensure that employees have the appropriate representation undertaken in the future when required. (Appendix F gives a more detailed overview).

Trade Union engagement will happen through the following channels:-

- Informal Trade Union meetings
- JAG monthly meeting
- Specific meetings for TU's to discuss final Business Case prior to political approval
- Invitation to attend staffing events
- Email updates

Continual Future Engagement

We are fully aware that we will be required to carry out additional engagement as we go through this process. Engagement will be crucial to ensure that we get the right services and involve all necessary stakeholders at relevant milestones.

Appendix M – Outcomes of staff workshop to inform Mission and Vision statements

Staff Engagement

During May 2017, 8 workshops were held for staff to discuss potential Mission and Vision statements that would represent our collective offer to the public. 120 staff in total attended the workshops and collectively created 5 statements for both the Mission and Vision. These statements were then sent out to all staff via Survey Monkey to allow staff to vote on their preferred statement.

The 5 collective statements for the Vision statement were:

- ▶ Celebrating the proud heart of Monmouthshire through inspirational experiences and our historic culture
- ▶ Promoting the vibrancy of Monmouthshire through pioneering attitudes at every level
- ▶ Encouraging a lifetime of memories through a range of diverse opportunities
- ▶ Celebrating the vibrant heart of Monmouthshire through inspiring attitudes and strong communities by investing in our people and places
- ▶ Enriching people's lives and creating vibrant places

The 5 collective statements for the Mission statement were:

Tag: **Enriching, Inspiring, Enabling**

- ▶ Enriching our diverse communities, inspiring visitors, enabling development of our people and places.

Tag: **Promoting, Growing, Sharing**

- ▶ Promoting people, growing economic success and sharing our valued legacy

Tag: **Innovating, Investing, Inspiring**

- ▶ Reinventing our culture through investment to continue inspiring our communities and visitors

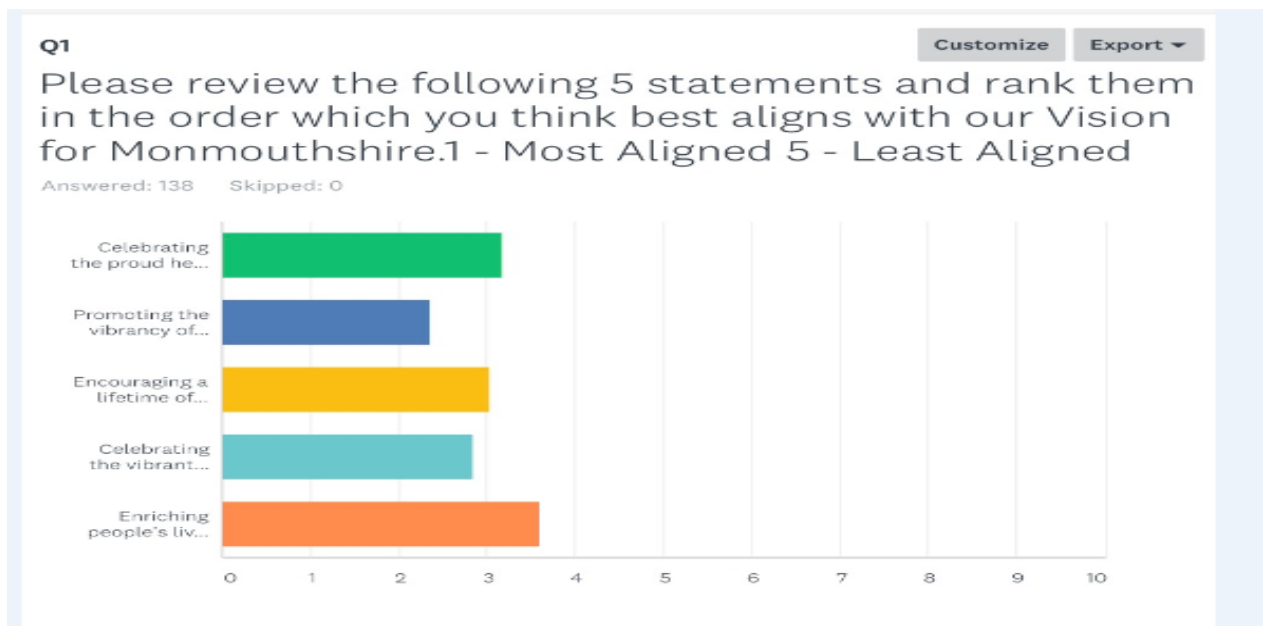
Tag: **Increasing, Optimising, Strengthening**

- ▶ Increasing visitor footfall and awareness, optimising operational efficiencies, strengthening our communities

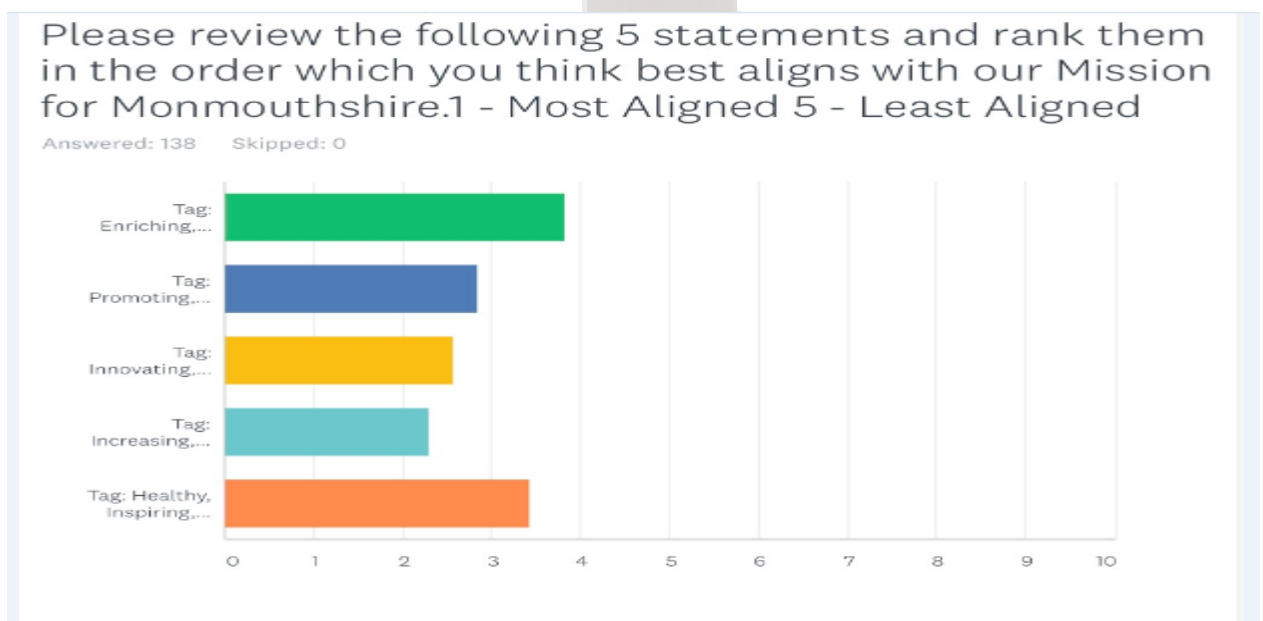
Tag: **Healthy, Inspiring, Vibrant**

- ▶ To promote healthier lives and inspirational experiences, and promote the vibrancy of Monmouthshire as a great place to be

Example of the Vision statement during the 3 week voting period:-



Example of the Mission statement during the 3 week voting period:-



The final outcome of the Survey Monkey vote by staff have created the following statements:-

Vision

Enriching People's lives and creating Vibrant Places **Mission and Tag**

Enriching our diverse communities, inspiring visitors, enabling development of our people and places

Tag line

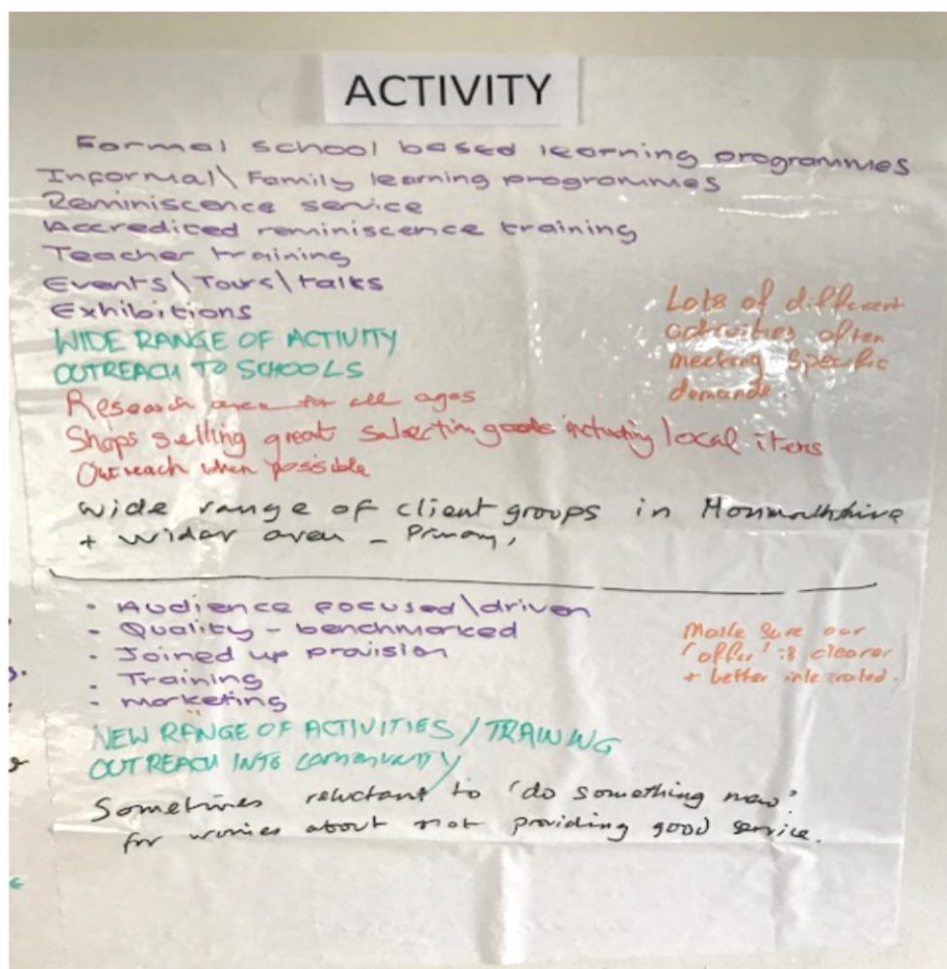
Enriching, Inspiring, Enabling

Culture and the Customer Journey workshops for staff

Over the period of June to October, 145 staff have attended a two hour workshop to look at key areas that are pertinent to the future direction of the organisation. Staff were able to discuss their existing service offer and how collectively they can strive for change making their offer exciting; value for money; a destination; excellent resources, memorable and an adventure for everyone who accesses our services.

Staff were aware of their competitors and how we can improve our product to ensure we become a brand of excellence that sets us apart from others. We want staff to become our brand ambassadors - our positive spokesperson, who will boost product or service sales and create brand awareness.

Here are examples of how they have suggested we can improve our offer.



COMMUNITY

Exhibitions ^{+ events} that interest our communities

OUTREACH

JOINING COMMUNITIES WITH A COMMON GOAL FOR
OUTDOOR RECREATION

All Inclusive

HELPING PEOPLE KNOW
THEIR PUBLIC RIGHTS

Enable communities
to manage their
Local green spaces

PROVIDING CLEAR CONSISTENT ADVICE

PROVIDING LOCAL GREEN SPACES.

Ensuring links between social, economic + environmental
approaches through a (GI) approach.
(Green Infrastructure approach)

More

Engaged

SUPREMACY OF US

More exhibitions + events that are chosen by communities.

OPEN DAYS

WHAT DO COMMUNITIES/PEOPLE WANT?

ENABLE COMMUNITIES TO GET WHAT THEY WANT/NEED
IN OUTDOOR RECREATION.

Enable all people within community to access all
ANSWER THEIR QUESTIONS ON
PUBLIC AND OR PRIVATE RIGHTS

LEAFLET/WHAT'S ON OFFER

Provide more
consistent support to
community groups.

SERVICE

leisure - sports dev, training, education

visitor information

business support

destination marketing - digital / e-commerce
management
development

Outdoor education & learning (caving, canoeing etc)

Youth work, training, educating, supporting,
preparing young people for life

Countryside - public rights of way, biodiversity, trees,
landscape

Public Spaces/Parks

Equality - lessons, development, training.

Investment

grow + develop

more clearly defined roles

less silo working

better communication

clear brand for new organisations

More staff and better use of facilities (all year round)

Increasing engagement & numbers. Offer more parking

New facilities

Right staff for right job

More involvement with schools, young people for future.

Maintenance of PARKS + public spaces

more qualified staff.

As part of the workshops staff were also asked to complete a promise. They had to identify 3 key words that described them as an individual; a skill or interest and then turn them into a promise that will enhance the service offer for the future, give them ownership and ensure they are working in the right area to enable growth and personal development.

Examples of promise made by staff at recent workshops:

Proactive : Get out there and see what our competitors offer
If I have an idea speak up. Good at upselling. Go
out to companies and deliver fitness classes, market our brand.

MOTIVATION

KEEP ENERGY LEVELS HIGH CAUSING MOTIVATION TO ALWAYS
BE POSITIVE AND DRIVEN ON A PERSONAL BASIS

Hard-working I promise to give 110% (at least!)
to make sure the ADM is a success

CHATTY + FRIENDLY - I PROMISE TO BE APPROACHABLE, FRIENDLY
WELCOMING TO EVERY CUSTOMER / PERSON I SPEAK TO &
MAKE THEM WANT TO RETURN OR BE A PART OF MY TEAM.

Consistent service - to exceed
customer expectation time and again
To create memories by giving excellent
service.

I am going to use my commitment to improving our
environment to inspire volunteers and volunteer projects that will
improve our environment.

To ensure I do everything in
my power to make this new
entity a success + feel part
of one unique team.

Appendix N - Service User Engagement

Making the customer the focus of our engagement programme will help us to meet the challenges we face head on. It is important that we listen to our service users and customers to ensure future services are relevant, meet need and are fit for purpose.

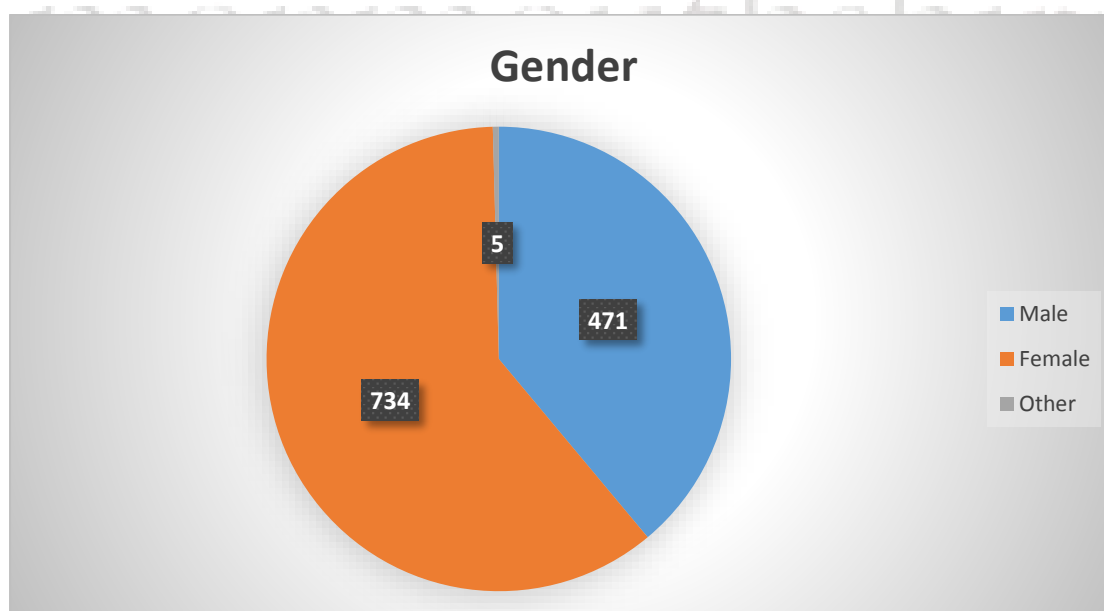
As we are at the early stages of the development of the new Delivery Model, we identified the need to carry out a 'dip-test' with service users to find out what was important to them regarding the services they accessed and used regularly.

During the three weeks of 1st August – 19th August 2016, services engaged their users through paper surveys and an on-line survey asking 'What Matters' as well as some basic demographic and geographical information. A total of 1210 surveys were completed during this three week period, from all age groups and areas of Monmouthshire giving us a wealth of initial data to use to inform our business plan and future model. The following is an analysis of the service user feedback.

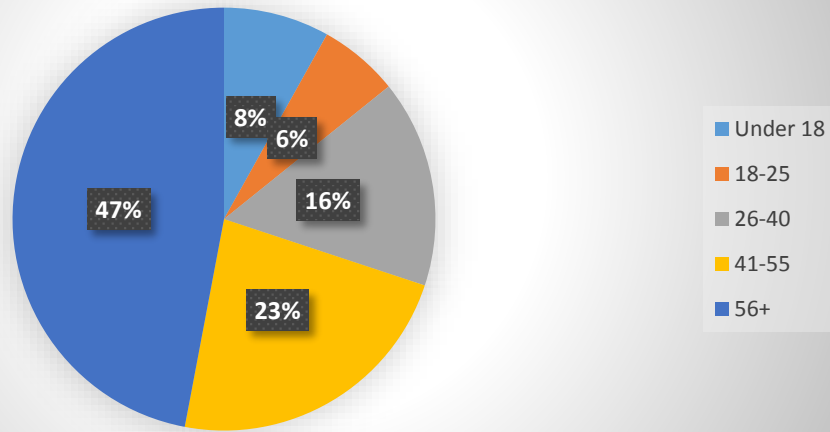
From across all surveys completed these were the top 5 themes that mattered to service users:-

- ✓ 28% - Staff: were approachable; knowledgeable; friendly and welcoming
- ✓ 24% - Accessibility: services were local; open regular and open to all
- ✓ 13% - Cleanliness: sites and facilities were clean; had good hygiene and
- ✓ 12% - Equipment: maintained; up to date; accessible for all and available
- ✓ 9% - Cost: prices are as low as possible; fair and worth the service receiving

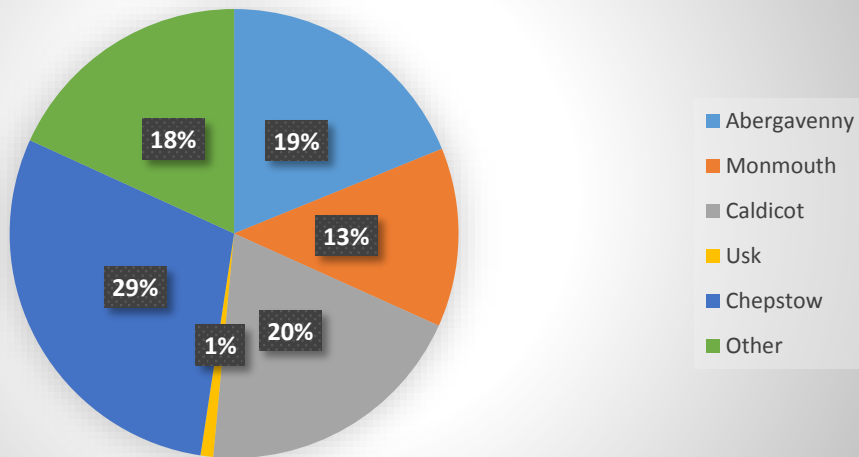
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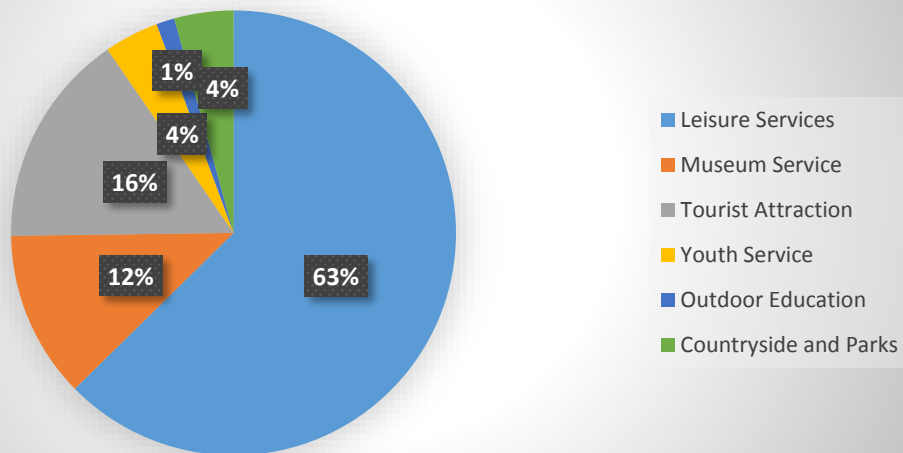
Age



Residential Area



What service are you using?



The following are extracts of what users shared about each service individually (leisure; museums; countryside; tourist attractions; youth service and outdoor education) and indicated 'What matters' to them:

Leisure (758 of the surveys submitted)

- ✓ 19% said 'Staff approachable and friendly'
- ✓ 17% said 'Clean buildings, equipment and good hygiene'
- ✓ 12% said 'Equipment maintained, up-to-date and more available'
- ✓ 11% said 'Being able to access classes to help people stay fit and healthy'
- ✓ 7% said 'Opening times extended'

Countryside (52 of the surveys submitted)

- ✓ 25% said 'Pathways and services are clean and not overgrown'
- ✓ 19% said 'Pathways are accessible'
- ✓ 8% said 'Having appropriate reasonably priced parking'

Museum Service (147 of the surveys submitted)

- ✓ 33% said 'Museums need to be interesting and educate people'
- ✓ 23% said 'Information is available and relevant'
- ✓ 21% said 'History should be preserved and shared with everyone'
- ✓ 14% said 'Important that museums stay free'
- ✓ 14% said 'Being able to learn about local history locally'

Youth Service (49 of the surveys submitted)

- ✓ 24% said 'Staff are approachable, helpful and fun'
- ✓ 22% said 'Need somewhere to go that is safe, fun and our space'
- ✓ 10% said 'Something to do and meet friends'
- ✓ 8% said 'Help to look for jobs and training'

Outdoor Education (15 of the surveys submitted)

- ✓ 20% said 'Cost - value for money is important'
- ✓ 20% said 'Safety whilst on activities'
- ✓ 20% said 'Equipment is tested, safe and appropriate'

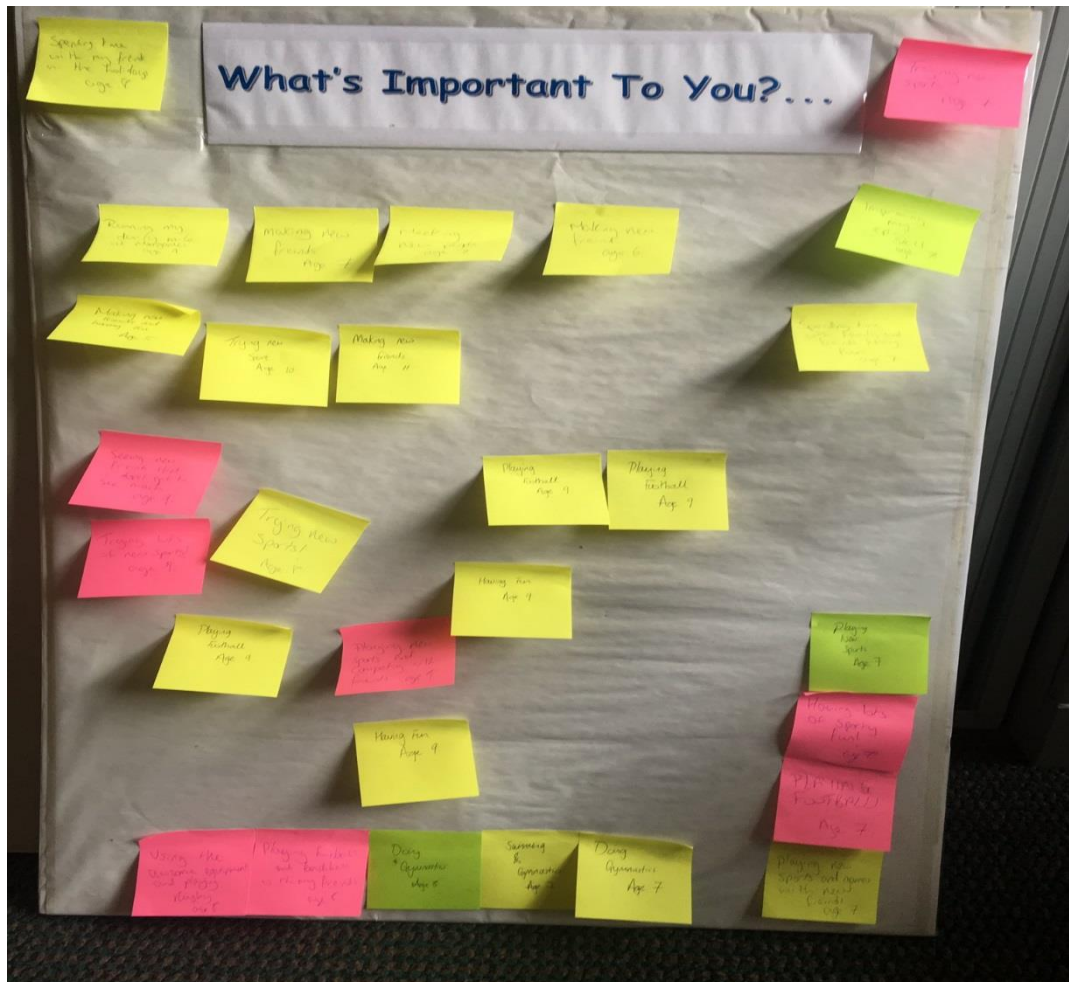
Tourist Attractions (Shire Hall; Old Station; Caldicot Castle; TIC's) (189 of the surveys submitted)

- ✓ 57% said 'Staff welcoming, helpful and knowledgeable'
- ✓ 12% said 'Local, accessible attractions are important'
- ✓ 12% said 'Attractions clean and litter free'
- ✓ 13% said 'Information is provided on local areas'

In addition and to ensure we had the voice of our youngest service users, over 120 children and young people (aged 5-11) responded on Graffiti boards sharing their thoughts on what was important to them regarding the service they were using.

A flavour of their comments:-

- ✚ To be able to swim
- ✚ Stop me being bored
- ✚ Make new friends
- ✚ Everybody taking part
- ✚ Learning new things
- ✚ Being healthy
- 😊 Being safe
- 😊 Yummy breakfast
- 😊 Staff friendly
- 😊 All treated the same
- 😊 Teamwork
- 😊 Happy



Appendix O - What Matters Service User Survey



Monmouthshire Service Users – What Matters to You?

Gender M F Other

Age Under 18 18-25 25-40 40-55 55+

Resident area

Abergavenny Monmouth Caldicot

Usk Chepstow

Rural area _____ Other _____

Reason for your visit: _____

What matters to you about the service you are using?

monmouthshire
sir fynwy

What is important to you?

If you would like to be kept informed of future service developments then please leave your contact details _____



Defnyddwyr Gwasanaethau Sir Fynwy - Beth sydd o Bwys i Chi?

Rhyw G B Arall

Oed Dan 18 18-25 25-40 40-55 55+

Ym mha ardal ydych chi'n byw:

Y Fenni Trefynwy Cil-y-coed

Brynbuga Cas-gwent

Ardal wledig _____ Arall _____

Rheswm am eich ymweliad: _____

Beth sydd o bwys i chi am y gwasanaethau yr ydych yn eu defnyddio?

monmouthshire
sir fynwy

Beth sy'n bwysig i chi?

Rhowch eich manylion cyswllt os gwelwch yn dda os hoffech gael gwybodaeth am ddatblygiadau gwasanaeth yn y dyfodol

Appendix P - The Big Conversation

Big Conversation –The Results

From October through December 2016 The Big Conversation took place in Monmouthshire. This was a valuable opportunity to have an authentic and honest conversation with our young people!

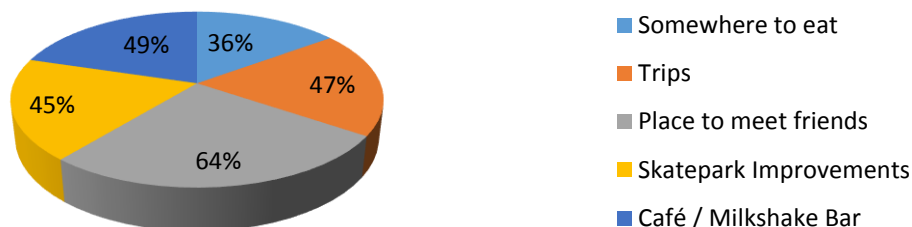
The aim of the consultation was to ultimately find out what young people *really* want in their area and to also help shape the future of a youth offer from services in the new delivery model.

The Big Conversation engaged with 345 Young People aged 5 – 25 years from groups such as;

- Primary schools,
- Comprehensive schools,
- Young Carers,
- Global Entrepreneur Event
- Scout Group
- Community Events
- Engagement Roadshow - Outreach Sessions (All towns)
- Youth Councils
- School Council
- Alternative Education Providers
- Monmouthshire Games sports Activities
- Youth Service trips and sessions
- Young People gym sessions

From the overall outcomes of the conversation, here are the top 5 priorities that children and young people wanted us to know

Results



*% are based on 345 responses

While the data allows us to identify new trends and demands from the children and young people, it also challenges us to think differently. The vast range of needs presented, encourages us to think wider and to consider all service areas when forming the youth offer. There are multiple data entries that can be amalgamated, calling on the resources and skills of the team that will potentially fall under the new delivery model to ensure that we offer the optimum opportunities.

Next steps will be to visit independent youth groups (Youth/ School Councils, Young Sports Ambassadors) and feedback the data analysis and prioritising from a young person's perspective. We are keen to have the young people lead the way on the formation of the youth offer and being involved throughout the process is paramount.

Moving forward, young people will be consulted with and invited to be involved in the creation of specific projects, these projects will be identified as a result of the analysis and prioritising workshops.



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Appendix Q - County, Town and Community Council Engagement

Meeting dates as confirmed by Town and Community Councils – Autumn 2016

Date	Time	Town/Community Council
17 th October 2016	7.00pm	Trellech Community Council
18 th October 2016	7.30pm	Crucorney Community Council
18 th October 2016	7.00pm	Portskewett Community Council
26 th October 2016	8.00pm	Gwehelog Community Council
31 st October 2016	6.30pm	Magor/Undy Community Council
2 nd November 2016	6.30pm	Llanbadoc Community Council
3 rd November 2016	7.30pm	Llangattock Community Council
10 th November 2016	7.00pm	Caerwent Community Council
10 th November 2016	7.15pm	Llantrisant Fawr Community Council
14 th November 2016	7.00pm	Mathern Community Council
14 th November 2016	7.30pm	Usk Town Council
14 th November 2016	7.30pm	Grosmont Community Council
15 th November 2016	7.30pm	Llangybi Fawr
15 th November 2016	6.00pm	Llantillio Pertholey Community Council
16 th November 2016	7.00pm	Llanfoist Community Council
21 st November 2016	7.30pm	Goytre/Little Mill Community Council
23 rd November 2016	7.00pm	Chepstow Town Council
23 rd November 2016	7.00pm	Raglan Community Council
24 th November 2016	7.00pm	Abergavenny Town Council
28 th November 2016	7.00pm	Tintern Community Council
28 th November 2016	7.00pm	Devauden Community Council
5 th December 2016	7.00pm	Monmouth Town Council
17 th January 2017	7.30pm	Llantillio Crossenny Community Council
13 th February 2017	7.00pm	Gilwern Community Council
15 th February 2017	7.00pm	Llanfoist Community Council

Members Seminars

4 th February 2016	Led by Anthony Collins ADM team	To discuss the initial proposals of gathering information in order to inform a decision on a future delivery model for TLCY and youth service's	Number of Members attended = 19
14 th December 2016	Led by Anthony Collins and ADM team	The reason why to do a new delivery model Finance for ADM	Number of Members attended = 9

		Governance	
12 th June 2017	Led by Anthony Collins and ADM team	Presentation on Governance and models that could be adopted	Number of Members attended = 11



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Appendix R - County, Town and Community Council Engagement



Briefing Paper for Town and Community Council meetings 2016

Rational

Why change?

- ▶ The ongoing Local Government funding review resulting in further cuts to services, job losses and dissatisfied communities;
- ▶ An opportunity to change things for the better, e.g. better services, different services, a new way of doing things;
- ▶ Involve everybody in creating a stronger, sustainable future model i.e. sustaining locally accessible services;

If we don't:-

- ▶ Budgets are decreasing – circa 12% or £14m over next four years; no capital investment available; services and teams under immense pressure; teams under pressure and morale is low, ultimately resulting in services being lost

Services in scope:

- ▶ Leisure, Sports Development and Outdoor Education;
- ▶ Youth services provision;
- ▶ Countryside services including our Heritage sites;
- ▶ Tourism Marketing, Development, Visitor Information; Arts and Events;
- ▶ Management and marketing of Monmouthshire's Visitor Attractions;
- ▶ Museums (to transition at a later phase)

Vision for new delivery model

- ▶ Increased flexibility and agility in responding to needs and change;
- ▶ Freedom to market and trade its services;
- ▶ Improved Services through innovation and a culture of enterprise;
- ▶ Introduce lean processes that reduce duplication of effort and increase use of technology and self-service, making it easier for residents to access services and obtain information and advice;
- ▶ Empowered & motivated staff thus raising productivity;
- ▶ Access to funding and tax efficiencies currently outside the scope of the Council; and
- ▶ Offer higher levels of engagement and achieve economies through collaboration and partnership.

Range of options, four principle options identified:

- ▶ Delivery Option One: Do Nothing
- ▶ Delivery Option Two: Transform the Services 'in house'
- ▶ Delivery Option Three: Move the Services into an Alternative Delivery Model(ADM);
- ▶ Delivery Option Four: Outsource the services to a third party.

*It should be noted preference was given to put more resources into exploring an alternative delivery model

Timescales 2016 - 2017

- ▶ January – February Information gathering and due diligence
- ▶ February – July Options Appraisal

- | | |
|-----------------------|---|
| ▶ July – September | Strategic Outline Case |
| ▶ September - October | SOC for Political approval |
| ▶ October – December | Business plan development subject to SOC approval |
| ▶ December – January | Draft Business Plan requiring Political approval |
| ▶ October – March | Transition process |
| ▶ April 2017 | Implementation of new model/s |
| ▶ September 2017 | Completion and 'Go Live' |

For further information and papers associated with this piece of work please go to

<http://democracy.monmouthshire.gov.uk/ieListDocuments.aspx?CIId=144&MIId=949&Ver=4>

Contact details:-

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Appendix S - FAQ and responses compiled from Town and Community Councils visits

Monmouthshire County Council are currently exploring options that will enable the sustainability and future longevity of services within Tourism, Leisure and Culture services.

During the autumn of 2016, the core team for the proposed new delivery model were invited to attend Community and Town Councils to share information with local councillors and to advise on the processes and proposals presented to MCC elected Members. Local councillors will be able to ask questions to the team members present.

Questions were verbally taken at each meeting. To ensure transparency and to share the questions asked, a list of frequently asked questions are hereby presented under themed headings.

Resource and Finances

LA could save money in other areas before looking to spin out these services?	<i>The authority is committed, rightly so, to supporting Education and Vulnerable people as 2 of its priorities. The budget sits substantially in these two areas leaving little resource for other services to continue and thrive. To ensure that local services are sustainable we need to explore alternative models.</i>
How will this save money for the local authority?	<i>The new delivery model/s will be able to access alternative funding/income from several sources which will enable the authority to reduce subsidy over a period of time therefore saving money.</i>
Will the LA still continue to fund the ADM when budgets are getting smaller?	<i>The local authority and the new delivery model/s will have an agreement in place with a Business Plan demonstrating the reduction of subsidy over a period of time from the LA, against the increasing income sourced by the new delivery model</i>
Timescales are unrealistic and putting pressure on current administration	<i>The process has been ongoing for over a 12 month period and has involved the current administration. The current administration are supportive of looking at new models and want to ensure that services are sustainable as soon as possible. The timeline fits with the processes required for completion once approval is given through the current and future administration.</i>
What will happen to the assets – will they remain the property of MCC?	<i>Currently we are exploring options around the assets. It is anticipated that assets will remain the property of MCC with a lease in place with the new delivery model/s for a set period of time</i>
Can you give an example on how you will generate more income that you cannot currently do in house?	<i>Having Charitable status will enable access to grants that we cannot currently access as a statutory body.</i>
What about the implications of Brexit?	<i>There are no foreseeable implications of Brexit within the current timescales.</i>

Community and Community Council role with new model

Will CC's be asked to contribute or precept monies to assist with new model?	<i>We will not be asking for Community councils or Town councils for precept to assist with this new model. We would welcome future collaboration on funding applications to benefit our local communities</i>
Why ask CC's as our views are not taken into account as CC make the decisions and local, rural areas suffer as a result	<i>We value all views on this decision as local communities are the main users of these services. We value the close working relationship we have now and wish to develop this in the future so services are provided that meet local need</i>

How will we benefit from this new model in a rural community?	<i>Through partnership working we will aspire to develop and grow services to ensure rural areas have access to services that meet local need</i>
How will this involve the Community?	<i>We are keen to involve all community service users old and new, to assist us in developing services that are fit for purpose and meet evolving needs</i>
How will Community Councils be involved in the future model as have vested interest in local services?	<i>We will regularly engage with local community councils to seek views and opinions on local services and through partnership develop and grow local services for the benefit of local communities</i>
Would welcome further opportunity to discuss with LA this programme	<i>Visits will be made again in the spring to give local councillors an update on progress and to seek views</i>

Staffing concerns

Will staff be protected and carried over to the new model?	<i>The pay, terms and conditions of employees transferring to the ADM are protected by TUPE legislation which will be adhered to</i>
What are the implications for staff?	<i>Staff are the biggest asset we have and are fully engaged in the process to date. It is the intention that all staff will transfer over the new model/s with limited disruption to services and posts</i>
How involved have the Trade Unions been in the process so far?	<i>Trade Unions have been involved in conversations with HR and the core team for the last 12 months and will continue to do so throughout the transition period</i>

Services in scope for options presented

What services are we talking about here?	<i>Leisure and sports development Youth service Outdoor Education Countryside Tourism Attractions Events Museums</i>
Who decided on the services in scope for this new organisation?	<i>The services that are highlighted to move into a proposed alternative delivery model and to secure future sustainability, were proposed through the budget mandate consultations in 2015/16 with the public and senior officers. Most of these services do not have statutory responsibilities through local authority delivery (with the exception of elements of Youth and Countryside).</i>
What would these services look like if you walked in, in the future?	<i>Apart from a new logo and branding, we anticipate that the same great service will be available to our community and service users. We will be able to grow our offer and increase services available to communities. We anticipate reinvesting into the assets so our services are fit-for-purpose and offer the optimum service to our communities</i>

Models currently being explored

<p>As we are only one of a few in Wales not to have looked at other models, what have you learnt from their processes?</p>	<p><i>We have talked to neighbouring authorities and gathered intelligence from further afield. They have all shared a wealth of knowledge with the team. As well as gathering intelligence on processes they have gone through, we were keen to find out what they would have done differently; what went wrong and what they have had to change since their inceptions. All were keen to express the importance of having the scope to grow services and having more than one model available. Consultation is crucial with users, staff and stakeholders to ensure we have the right model/s that will accommodate our services and offer longevity.</i></p>
<p>Would this model apply to other local authority services– will they be able to join the new model or will they be cut?</p>	<p><i>The new delivery model/s will be set up to ensure that in the future additional services can be transferred across should the need arise.</i></p>
<p>Has the authority got the business skills to deliver a more commercial model?</p>	<p><i>We believe that we have the skills required in many aspects of running a new model/s using many of our existing staff. Many of the services identified in this new model/s already operate under a business acumen. When we recognise areas where additional expertise is required we will ensure that this is addressed.</i></p>
<p>Will Welsh Government be involved in this decision for an alternative delivery model?</p>	<p><i>Welsh Government have issued guidance to all LA's on setting up of alternative delivery models and are supportive of this approach locally. The decision is that of the local authority to make rather than WG</i></p>
<p>How will the governance work – what will be the make-up of your members?</p>	<p><i>Depending on which model/s is selected, Boards will be set up from a make-up of community members; professionals; elected Members and Senior Officer from MCC</i></p>
<p>The private sector should be an option to run some of the services rather than the LA – have you approached anyone to do this?</p>	<p><i>If this is an option chosen through the political process then we will investigate further.</i></p>
<p>Have all of the options being given the same due process for a decision to be made on which model will be given approval?</p>	<p><i>Yes all options have gone through the same due process to ensure transparency and fairness on the 4 options presented</i></p>
<p>What is a TECKAL and can you explain the grouping again?</p>	<p><i>The preferred delivery option for the services associated with the Tourism, Culture and Leisure assets is through an Alternative Delivery Model. The model is structured in 3 parts;</i></p> <ul style="list-style-type: none"> <i>• Teckal Company. – MCC would retain control over services but would allow some limited flexibility for commercial operation</i> <i>• Charitable trust – this offers financial savings; allows access to funding; is a not for profit organisations as is seen as “ non-commercial” – addresses council key concern</i> <i>• Trading Company to take advantage of trading opportunities and reinvest profits back into the Charity</i>
<p>What would transforming in house mean?</p>	<p><i>Transforming in house would mean a remodelling of services identified to realise</i></p>

	<i>efficiencies and operate in a streamlined way. This option would also limit access for both capital and revenue streams so could potentially see services in the same position in the future and managing decline.</i>
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Miscellaneous

How will you be able to promote what we do in Monmouthshire?	<i>We will aspire to have a dedicated Marketing team with the new delivery model that will put Monmouthshire on the map for local residents and tourists. We value the importance of the wider Monmouthshire tourism offer and will ensure this is enhanced at every opportunity.</i>
How does this tie in with the work being undertaken as part of the RDP study of non-statutory services in rural areas?	<i>The project team will meet with the consultant who is leading on this research to create synergies and share ways of working</i>
How will you continue to work with Social Care to support our increasing aging population and social care needs?	<i>We continue to work with our colleagues in Social Care and Health to assist in the early intervention and prevention agenda which will ultimately lessen the burden on said statutory service in the future.</i>



Appendix T - Trade Union Engagement

Informal Union and Local Authority meetings

Date	Meeting attended by	Discussion Points
31 st May 2016	Tracey Thomas	General update on where we are in the process to date
29 th November 2016	Tracey Thomas	General update on progress Strategic Outline Case approved by Members Approval to go to next stage of Draft Business Case
28 th May 2016	Ian Saunders	General update on progress of Draft Business Case.

JAG meetings

Date	Meeting attended by	Discussion Points
7 th March 2016	Tracey Thomas	General update on proposed work programme for intelligence gathering; options appraisal
28 th June 2016	Tracey Thomas	Update on progress to date Detailed Options Appraisal written Writing draft Strategic Outline Case
26 th September 2016	Tracey Thomas	Papers have been written along with report for Joint Scrutiny and Cabinet Papers to be sent to Unions for reference/comment Awaiting a political decision to go to next stage of process
21 st November 2016	Tracey Thomas	Strategic Outline Case presented to Members and approval given to go to next stage for Draft Business Case Advised on timescale for papers for SLT; joint Scrutiny and full Council Papers will be circulated to Unions at the same time as part of consultation
January 2017	Tracey Thomas	Draft Business Case for approval at next stage of political process. Advised on timescales and papers to be circulated for consultation.
June 2017	Tracey Thomas	Outcome of Council meeting in March 2017 to

		go ahead with 2 options in comparative Business Case models for approval and final decision in September 2017. Advised on dates for circulation of papers for consultation and set up additional meetings to discuss papers.
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Appendix U – Potential New Income Sources

Service	Potential sources of new income (outside MCC)									
	Sales of services to customers	Sales of merchandise etc.	Cafes, food and coffee	Commercial tie ins and sponsorship	Contracts to provide services for other public bodies	Contracts to provide commercial services	Membership schemes	Individual donations	Corporate and charitable foundations; Lottery; legacies	Grants from local and national government
Leisure and Fitness	G	A	G	G	G	A	G	R	A	A
Outdoor Education	R	A	A	A	G	A	A	R	A	A
Visitor Attractions	G	G	G	G	A	A	A	A	A	A
Green Infrastructure & Countryside	R	R	A	A	A	R	A	R	R	A
Tourism	A	A	A	A	R	R	A	R	R	A
Youth Service	R	R	A	A	G	R	A	R	G	G

G = Likely, A = Potential, R = Unlikely

Appendix V – Transition and Delivery Plan 2017-18

HR Planning

Activity	Lead person	RAG Status	June	July	August	September	October	November	December	January	February	March
Planning												
Agree communication and relevant roles between project HR, transferor HR and transferee HR	TP	Green		Green								
Request establishment reports check against department records	TP	Green	Green	Green	Green	Green	Green	Green	Green			
Request role profiles and check applicability	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Where changes needed (on data cleanse) managers to complete change form (multiple change spreadsheet if required) to correct hierarchy unit and/or budget codes	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Check continuous service dates, check against personnel files.	TP	Red	Red	Green	Green	Green	Green	Green	Green			
Check politically restricted posts	TP	Green	Green	Green	Green	Green	Green	Green	Green			
Career breaks	TP	Green	Green	Green	Green	Green	Green	Green	Green			
Maternity leave	TP	Green	Green	Green	Green	Green	Green	Green	Green			
Casuals who may have acquired rights	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Secondments	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Contractors e.g. caretakers, cleaners etc	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Other services that work with service and could be in scope (e.g. caretakers, cleaners, business support)	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Agreement with project lead, staff in- scope for TUPE.	TP	Green	Green	Green	Green	Green	Green	Green	Green			
Any overtime/bank holiday pay etc.	TP	Green	Green	Green	Green	Green	Green	Green	Green			
Agree engagement with Unions- schedule meetings and agree T of R for reporting into JAG	TP	Green	Green	Green	Green	Green	Green	Green	Green			
Request redundancy and pension estimates if indemnifying costs	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Pensions, Admitted body status timeframes	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Ascertain the People Services:Support team input needed for pre transfer - agree this	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Ascertain post transfer support-will this be SLA? Agree SLA	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Check with Pensions re charges for setting up/transferring pensions	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Ensure any new provider explores any applicable registration with industry body, e.g. EWC etc registration, Microsoft licenses	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			
Advice directorate and MCC HR that if there is a likelihood that TUPE could not take place but redundancies could occur, consider submitting S188 and also consulting on the possibility of redundancies	TP	Yellow	Yellow	Green	Green	Green	Green	Green	Green			

HR Measures and Policies

Activity	Lead person	RAG Status	June	July	August	September	October	November	December	
Planning										
Agree which policies are contractual	TP	Green	Green							
Review contractual policies and complete measures template	TP	Yellow	Green							
Agree measures to be put forward with ADM management	TP	Yellow	Green							
Update measures template following agreement with unions	TP	Green	Green							
Co-ordinate the comparison of policies' template	TP	Green	Green							
Save policies' comparison template and communicate out to the wider HR team	TP	Yellow	Green							

HR Due Diligence

Activity	Lead person	RAG Status	June	July	August	September	October	November	December	January	February	March	April	May
Planning														
Agree format for the information to be provided.		Yellow												
Facilitate/request provision of due diligence at appropriate stages (3 stages of information)		Yellow												
Confirm data agreement (advice from MTrigg)		Yellow												
Agree a date for final submission		Yellow												
Consider issuing staff Q&A on aspects of Tupe		Green												
Personal files and casework re any unexpired warnings and/or live cases		Yellow												
Any potential liabilities (e.g. grade, location ?)		Green												
Any local agreements		Green												
Fixed term contracts		Yellow												
Ts and Cs (are there a mixture e.g. Soulbury, JNC for Youth Work, NJC, CO etc)		Green												
Ensure that clarity on which payrolls staff are paid on		Green												
Any regular recruitment (e.g. trainees, apprentices)		Yellow												
With regard to casual and zero hours staff ensure that: -		Yellow												
pay liabilities are included;		Yellow												
working hours e.g. mon – fri hours, weekend hours, etc. are included;		Yellow												
request additional hours report to gather this information (Payroll Team and the line manager).		Yellow												
Advise managers to comply with contracts of employment protocol by obtaining pay history and hours worked for casual and zero hours staff to assess regularity of work and patterns, etc.		Green												

Finance Banking

Activity	Lead person	RAG Status	June	July	August	September	October	November	December	January	February	March	April	May
BANKING														
Open Bank accounts	MB													
Terms Of reference	MB													
Present Organisational Structure Charts	MB													
Personal Details of Directors required	MB													
Financial Statements / Estimates	MB													
Distribute Stationery	MB													
Set up BACS for Creditor Payments	MB													
Details of card holders - including personal contact details	MB													
Set up BACS for Debtor Payments	MB													
Details of card holders - including personal contact details	MB													
Direct Debits	MB													
Identify all current direct debits	MB													
Write to all direct debit holders	MB													
Set Up Overdraft	MB													
Guarantee needs to be signed by MCC	MB													

Finance Systems

Activity	Lead person	RAG Status	June	July	August	September	October	November	December	January	February	March	April	May
AGRESSO														
Common	MB													
Identify coding structure	MB													
Set up transaction types	MB													
Set up Transaction series	MB													
Create workflows	MB													
Create Reports	MB													
General Ledger	MB													
Suspense account reconciliation	MB													
Creditors	MB													
Set up Supplier Masterfile	MB													
Variants	MB													
Set up Purchase Order template	MB													
Debtors	MB													
Set up Supplier Masterfile	MB													
Variants	MB													
Set up Sales Order template	MB													
Bank Reconciliation	MB													
Bank statement loads	MB													
Reports	MB													
Budgets	MB													
Set up amounts	MB													
Load Budgets	MB													
Set up profiles	MB													
Interface	MB													
interface from cashiers	MB													
Interface from payroll	MB													
Bank Statement Loads	MB													

Finance VAT

Activity	Lead person	RAG Status	June	July	August	September	October	November	December	January	February	March	April	May
VAT														
Submit VAT Registration Form	MB													
Provide details of directors / trustees	MB													
Company Terms of Reference	MB													
Trading Plans	MB													
Financial Statements / Estimates	MB													
Contact Details	MB													
Bank Details	MB													
Vat Consultancy	MB													



Appendix W - The Regulations and Preferred Procurement routes

As the Council is a contracting authority and subject to EU and national procurement law, a contract of that nature would usually require to be advertised in the Official Journal of the European Union and an open and transparent tendering process to be followed.

MCC will need to ensure that it complies with the requirements of the new Regulations which are a consolidation of existing procurement law, including case law. One of the key changes the Regulations make is the removal of the distinction between Part A and Part B services. This means that contracting authorities can no longer grant an uncontested contract for services worth over 750,000 euros (approximately £625,050) to spin-outs, although a 'light touch' regime has been proposed for 'health, social and other service' contracts with a value greater than this threshold.

The most relevant potential procurement options open to the Council are therefore to;

- **Option A** - Form a Local Authority Trading Company (LATCO) as a Company Limited by Guarantee or Shares (though note this vehicle could not have charitable status because of issues with it being independent of the state). There would not be a requirement to undergo a procurement exercise, if the Council ensured compliance with the requirements of Regulation 12 of the Regulations (otherwise known as the 'Teckal' exemption which has now been codified in the new Regulations);
- **Option B** - Procure the services in accordance with the new "light touch regime";
- **Option C** - Run a limited "public service mission organisation" competition, also referred to as a "social enterprise" competition; or
- **Option D** - Consider whether MCC would like to procure a partner to help leverage in some additional expertise or investment. If it were to pursue this route it may need to consider, what, impact this may have on its charitable status, depending upon what type and level of expertise and investment is secured. This would also need to be in accordance with any requirements set out in the company's constitutional and governance documents.

Option A: Teckal Compliant LATCO

A public authority can procure directly from a Teckal compliant company without going through the European OJEU process. A Teckal compliant company is one that:

- Is managed so that the local authority exercises control which is similar to that which it exercises over its own departments
- Carries out at least 80% its activities for the controlling local authority
- Has no private financial involvement in its ownership.

Option B: Light Touch Regime – Regulation 74

The new light touch regime applies to contracts valued at over 750k euros (£625k) over the life of the contract for services covered by Schedule 3 of the Regulations. Schedule 3 includes youth and social services, educational and cultural services

Although greater flexibility in the process is introduced, MCC will have to comply with the EU General Treaty principles of transparency and equal treatment. This means that there can be no favouritism or bias and all bidders must know the rules of the process. To this extent the fundamental principles of the process has not changed, though note the increased possibilities for taking into account the "relevant considerations" detailed below. MCC should consider how it can best incorporate those elements into any procurement process that it may follow.

MCC must set out in the Notice the conditions for participating, the time limits that apply and a brief description of the main features of the award procedure. Regulations allow MCC to determine the procedures to be applied in connection with the award of contracts, taking into account the nature of the services being procured but there must be;

- Compliance with the principles of transparency and equal treatment of bidders.
- The procedure must be conducted in accordance with the published conditions for participation, time limits for applying and the award procedure to be applied.

The regulations would allow MCC to make changes to the procedure during the process provided it has considered carefully that the changes do not breach the principles of transparency and equal treatment, that due and adequate notice has been given to all of the change (all bidders who responded to the notice even if not shortlisted) and it has adequately recorded the reasons for change and that those records are maintained. All time limits imposed in the process must be proportionate and reasonable.

MCC can still follow the traditional routes of, for example a restricted or open procedure, though this should not be the default position or there would be little benefit in having these additional flexibilities. Equally, MCC may introduce different procedures consistent with the regulation requirements to take into account relevant considerations, including:

- The need to ensure quality, continuity, accessibility, affordability and comprehensiveness of the services;
- The specific needs of different categories of users, including disadvantaged and vulnerable groups;
- The involvement and empowerment of users; and
- Innovation.

These are the areas where the more innovative and community focused aspects could be factored in as part of the procurement process. Whatever the process, having clear objectives and implementing them in a transparent and non-discriminatory way will be key.

The Regulations also require the same debrief for most forms of procurement, including under the Light Touch Regime. There is now therefore a stricter requirement to provide comprehensive feedback at the end of a procurement process under the Light Touch Regime.

Whatever procurement process is followed, there is a further requirement for MCC to prepare a procurement report which documents progress of the procurement. MCC must keep sufficient documentation to justify decisions taken at all stages of the process, including the decisions to depart from the procedures originally set out.

MCC continues to have public law duties, including to act reasonably and to ensure that it runs a process that meets the actual cost of delivering services. Therefore, the new flexibilities not only need to comply with the Regulations themselves but also with wider public law duties

Option C: Public Service Mission Procurement

MCC can run a limited “public service mission” competition for the Services. The use of this process would be dictated by whether MCC is prepared to consider, and wants to encourage, vehicles focussed on “public service mission” and based on “participatory principles”. MCC has a duty to promote the development, in their area, of not for private profit organisations such as social enterprises, co-operatives, user led organisations, and the third sector to provide care and support.

A final check would need to be completed to ensure that all services in scope fall within the permissible services that can follow this procedure. This process is the result of the Cabinet Office campaigning for

the EU to include a restricted-competition procedure in the new directive, in order to acknowledge the difficulties that new public sector mutual face and it has now been reflected in Regulation 77 of the Regulations. The procedure effectively allows contracts to be reserved to competition amongst “qualifying organisation(s)” that satisfy the following conditions:-

- Its objective is the pursuit of a public service mission linked to the delivery of the services referred to in Part 2 (i.e. cultural services);
- Profits are reinvested with a view to achieving the organisation’s objective. Where profits are distributed or redistributed, this should be based on participatory considerations;
- The structures of management or ownership of the organisation performing the contract are (or will be if and when it performs the contract) based on employee ownership or participatory principles, or require the active participation of employees, users or stakeholders; and
- The organisation has not been awarded, pursuant to this regulation [i.e. utilising the limited competition procedure], a contract for the services concerned by the contracting authority concerned within the past three years.

The maximum contract awarded under this Regulation cannot be longer than 3 years, so this will also need to be factored in to any decision made. Although this may not be the length of contract that MCC would like to award initially, it would give the ADM the opportunity to ‘bed-in’ and potentially set up a partnership (if they wanted to do so) to begin winning contracts. The expectation would be that the ADMs would then be ready to compete on the open market after 3 years. Other social enterprises bidding could be selected as collaborators with the ADM if that is something that would increase the service provision opportunities.

The ADMs could satisfy these conditions if it set up a CIC limited by shares or a charitable CBS provided that these principles are properly enshrined in its constitutional documents. The articles of association would need to be drafted with an eye to the future to ensure that they are able to meet these requirements, if the ADMs wants to be eligible to participate in these sorts of procurements in the future.

Option D: Procurement of a Partner

If MCC wanted to leverage in greater external investment or expertise, MCC could undertake a joint procurement exercise with the ADM to choose a partner with which to run the Services. The difficulty with this option is that MCC would not be able to make it a condition of the contract award that the winning bidder or ‘partner’ awarded the contract to the ADM (this is the rule that a contracting authority cannot nominate a sub-contractor). MCC and the ADMs would also need to decide what services they would be procuring from the partner.

One way that this might be achieved is to advertise for a partner organisation and require it to state how the public service mutual would fit within the proposals to run the Services. For example, the procurement could be a for a partner organisation to assist the ADM to reconfigure the Services through working directly with staff. That does leave the outcome in the hands of the marketplace. However, to ensure that an appropriate partnership model was put forward, the tender documents could refer to the type of model that MCC/ADM would want to see in place. This sort of process is likely to be more complex and have longer timescales.

Appendix X – Transform In House Business Plan Figures

TRANSFORM IN HOUSE FINANCIAL PLAN	2017/18	2018/19 Base	2019/20 Base	2020/21 Base	2021/22 Base	2022/23 Base	Five Year Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<u>SUMMARY - EXISTING SERVICES</u>							
Grant Income	541	542	543	543	544	544	2,716
School Income	484	384	384	384	384	384	1,920
Other Income	3,682	3,768	3,831	3,896	3,962	4,029	19,486
Total Income	4,707	4,694	4,758	4,823	4,890	4,957	24,122
Staffing Costs	5,550	5,637	5,731	5,789	5,847	5,906	28,910
Premises Costs (includes indirects)	1,456	1,554	1,590	1,624	1,661	1,697	8,126
Transport Costs	86	89	91	93	96	98	467
Supplies & Services	1,065	1,117	1,135	1,155	1,176	1,197	5,780
Contracts	136	170	174	178	183	187	892
Internal support Services	638	645	651	658	664	671	3,289
Total Costs	8,931	9,212	9,372	9,497	9,627	9,756	47,464
Net Cost	4,224	4,518	4,614	4,674	4,737	4,799	23,342
<u>INCOME GENERATING PROPOSALS</u>							
Grant Income	0	0	0	0	0	0	0
School Income	0	0	0	0	0	0	0
Other Income	0	114	213	327	368	428	1,450
Total Income	0	114	213	327	368	428	1,450
Staffing Costs	0	33	35	61	78	86	293
Premises Costs (includes indirects)	0	0	0	1	1	1	3
Transport Costs	0	0	0	0	0	0	0
Supplies & Services	0	18	26	33	35	42	154
Contracts	0	0	0	0	0	0	0
Internal support Services	0	0	0	-20	-25	-30	-75
Total Costs	0	51	61	75	89	99	375
Net Cost	0	-63	-152	-252	-279	-329	-1,075
<u>ADDITIONAL COSTS</u>							
Grant Income	0	0	43	43	43	43	172
School Income	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0
Total Income	0	0	43	43	43	43	172
Staffing Costs	0	106	106	106	106	106	530
Premises Costs (includes indirects)	0	0	0	0	0	0	0
Transport Costs	0	0	0	0	0	0	0
Supplies & Services	0	0	0	0	0	0	0
Contracts	0	0	0	0	0	0	0
Internal support Services	0	0	0	0	0	0	0
Total Costs	0	106	106	106	106	106	530
Net Cost	0	106	63	63	63	63	358

TRANSFORM IN HOUSE FINANCIAL PLAN	2017/18	2018/19 Base	2019/20 Base	2020/21 Base	2021/22 Base	2022/23 Base	Five Year Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
OVERALL DRAFT FINANCIAL PLAN							
Grant Income	541	542	586	586	587	587	2,888
School Income	484	384	384	384	384	384	1,920
Other Income	3,682	3,882	4,044	4,223	4,330	4,457	20,936
Total Income	4,707	4,808	5,014	5,193	5,301	5,428	25,744
Staffing Costs	5,550	5,776	5,872	5,956	6,031	6,098	29,733
Premises Costs (includes indirects)	1,456	1,554	1,590	1,625	1,662	1,698	8,129
Transport Costs	86	89	91	93	96	98	467
Supplies & Services	1,065	1,135	1,161	1,188	1,211	1,239	5,934
Contracts	136	170	174	178	183	187	892
Internal support Services	638	645	651	638	639	641	3,214
Total Costs	8,931	9,369	9,539	9,678	9,822	9,961	48,369
Net Cost	4,224	4,561	4,525	4,485	4,521	4,533	22,625
Extra Capital Financing Costs	0	13	76	77	77	77	320
Total	4,224	4,574	4,601	4,562	4,598	4,610	22,945

Sample Income Generation Ideas

- Increase the sales of merchandise across sites – particularly at the Visitor Attractions through a better offer.
- Review the catering offer across sites - increase sales of food drink snacks by providing a better quality product.
- Establishment of a Training Academy for all services to provide both internal and external training
- Increase and establishing new camping opportunities across sites (including camping pods)
- Increase the numbers attending Monmouthshire Games and Dryside Sport Activities
- Increase number of Personal Instructors used in the leisure sites
- Increase uptake of Swimming Lessons and operate at full capacity
- Abergavenny Leisure Centre gym refurbishment to increase to 50-60 Station Fitness Suite
- Abergavenny Leisure Centre Catering Offer - enhance facilities
- Duke Of Edinburgh Award - increasing uptake of courses
- Attract new client groups at Outdoor Education sites – so schools outside of Gwent area / NCS, also aim to attract the private sector such as corporate organisations
- Increase Activity With Schools - operate at higher occupancy levels across sites
- Tintern Old Station - Provide activities to make more attractive for visitors - crazy golf courses, increase availability of train rides
- Increase hire of sites such as Grounds - Abergavenny and Caldicot Castle

Appendix Y - Policies and procedures for adoption and implementation by the ADM

Strategic relevant to the ADM

Name of document	Relevant to:
Business Plan	Whole workforce
Specific Outcomes and Performance Indicators	Whole workforce and Board members
SLA between LA and ADM	Board Members and senior staffing team
Memorandum of Understanding for Board Members	CEO ADM and Board Members

National Policies/Acts

Name of document	Relevant to:
The Wellbeing of Future Generations (Wales) Act 2015	Whole workforce
Active Travel (Wales) Act 2013	Across ADM activities
Social Services Wellbeing Act 2014	Whole workforce
Environment (Wales) Act 2016	Across ADM activities
Extending Entitlement (Wales) 2002	Work with children and young people 11-25
Children and Families (Wales) Measure 2010	Work with children / play
Welsh Language (Wales) Measure 2011	CEO / Board Members / Senior staffing team / Whole workforce

HR/ Staff Policies and procedures which are relevant to whole workforce

Name of document	Name of document	Name of document
5 Steps to your retirement	Equal Opps in Employment Policy	SEWSCB - Safe Recruitment Guidance
Adoption Guidelines		Shared Parental Leave Policy 2015
Advert Role Profile and Person Spec Template (Corporate)	Equal Pay Policy	Sickness Absence Categories
Agency and Self Employed Workers Policy	Extreme Bad Weather - Guidelines	Sickness Monitoring
Agile Working Policy		Statement of Good Conduct
Alcohol and Substance Use Policy	Fitness for Work - Employee Brief	
AM WB Managers Protocol Workflow	Fitness for Work - Managers Guide	Stress Risk Assessment Manager Self Review
AM WB - AMR guidance for managers	Flexi Recording Sheet Jan - Dec 2017	Stress Risk Assessment Observations Sheet
AM WB - How to- reasonable adjustments	Flexi time scheme	Stress Risk Assessment Sheet
AM WB- How to- ill health capability meeting	Flexible Retirement	Strike Guidance for Managers 2014

AM WB- How to- phased return to work	Flexible Working Application Procedure	Term Time Only Weeks Per Year Calculation
AM WB -Template letter placement on a formal monitoring period	Harassment Policy	Travel and Reimbursement
AM WB- Template letter placement on a formal extended monitoring period.docx	Harassment Procedure	Trial Period Process - Guidance for Managers
AM WB -Template outcome letter following Ill Health Capability Meeting	HOLIDAY ENTITLEMENTS	Volunteer Policy
AM WB -Template outcome letter following Welfare Meeting	Honorary Policy	Wales Adult Protection Policy
AM WB-Template letter invite to Ill health Capability Meeting	Hours and Leave	Well-being Solutions management leaflet
AM WB-Template letter invite to Welfare Meeting	Interview Form - APPENDIX 10	Welsh Language Skills Assessment Guide
AM WB-Template outcome letter following successful completion of Monitoring Period		Whistleblowing Policy
AM WB-Template outcome letter following welfare meeting after OH Report	Interview Form - APPENDIX 11	Whistleblowing Procedure
At Risk Proforma	Interview Form - APPENDIX 12	Workforce Development Planning Workflow
Attendance Wellbeing - RTW guidance for managers	Interview Form - APPENDIX 13 - NOTIFICATION OF APPOINT	Workforce Planning Analysis Report
Attendance Management Policy	Interview Shortlist Form	
Attendance Review Form	Job Share Scheme	
Attendance Review Guidance	Kiddivoucher Scheme Rules	
Attendance Wellbeing Managers Protocol Workflow		
	Market Forces Policy	
AWB Home Working Checklist	Maternity Guidelines - Maternity Rights Flowchart Local Government Employees	
Capability Policy	Maternity Guidelines - Notification Document	
	Maternity Guidelines	
Career Break Scheme	Mileage - Correct use of Home to Work Mileage	
Carer in Employment - Carers Toolkit for MCC Staff		
Carers in Employment - Toolkit for Managers	Mobile Phone Policy	
Carers in Employment Policy	National Agreement 'Green Book' Updated Edition	
	Net pay estimate tool	
CICO Performance Appraisal	New and Expectant Mothers at Work - Arrangement Guidelines	
Code of Conduct	Occupational Health Referral Form	
Contracts of Employment Protocol	Parental Leave Procedure	
CORPORATE Restructure - Service Redesign Protocol	Paternity Guidelines	
DBS - Applicant Guidance	Pay Policy	
DBS briefing note		

DBS guide to eligibility by Home Office v2.2	Pensions (lgps 2014) Employer Discretions	
DBS Policy	People and Organisational Development Strategy draft	
DBS Protocol		
DBS1 - Appendix H - Secure Storage Use and Disposal	POLICY Attendance Management 2017	
Disciplinaries and Grievances - Guidance for Investigating Officer	POLICY Fairness at Work Policy (Grievance) 2017	
Disciplinaries and Grievances - Investigating Officer's Report	POLICY Performance Appraisal CICO	
Disciplinaries and Grievances - Investigation Pro Forma	Politically Restricted Posts Advice	
Disciplinaries and Grievances - Investigation Process	Pre-Employment Checks at Interview - Applicant Guide	
Disciplinaries and Grievances - Witness Signature Request	Professional Strategy Meeting Guidance	
Disciplinaries and Grievances - Witness Statement	Protection of Employment Policy	
Disciplinary Policy (Corporate	Recruitment and Selection Policy	
Documentary Evidence Sheet	Relocation Policy	
Domestic abuse policy	Retiring from Work Guide	
Emergency Payments Guidance	SAFE 2017 WASG (004	
Employee Basic Hours Timesheet (MONTHLY)	Safeguarding Policy	
Employee Disclosure Register Form	Safeguarding Strategy	
Employee Disclosure Register Form		

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Request Forms

Form	
Additional Annual Leave Decline and Appeal Letter	Expense claims with Multiple Posts - My View
Additional Annual Leave Purchase Application Form and Appencies	ID Card Request Form
Additional Annual Leave Purchase Record	Interview Expenses Claim Form
Additional Annual Leave Purchase Scheme	Leave Record Card
Additional Annual Leave Purchase Workflow	Mileage Claim Form
Adoption Guidelines	Pension opt in form
Annual Leave Calculator	Self Certification (Return to Work Form
Attendance Review Form	Special Leave form
Authorised signatory request form payroll	
Booking half day off - My View	
Change of bank account form	
Employee overtime form	

Health and Safety Policies

Name of document
Health and Safety in the Workplace
Health and Safety Arrangement Guidelines
ICT Safe Use Policy
Safe Equipment Policy
Manual Handling Policy
Risk Assessment Policy
Stress Risk Management Policy
Transport Policy
MIDAS and other driving certs
Vehicle Maintenance Policy
PPE Policy
Visiting Contractors Policy



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MonLife

DRAFT BUSINESS PLAN

November 2017

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1. Introduction

This Draft Business Plan sets out the vision and ambitions that Monmouthshire County Council have in establishing the MonLife group and the expectations around benefits anticipated to be delivered as set out in the Final Business Case supporting the Council decision to set up an alternative delivery model. It sets out a strategy for the recommended direction of travel for MonLife over the next three to five years. The purpose of MonLife is to make the best possible contribution to improving the quality of life for all of the communities, aligning to Public Service Board priorities from the Well-being Plan and Assessments. MonLife will deliver high quality customer experiences and encourage more visitors to the Monmouthshire area, supporting resilient and active environments to enhance and showcase the rich and diverse opportunities for people to enjoy. There is a clear vision for people to be the most creative and active they can be, driven by an organisation with strong values, owned by everyone in the organisation and experienced by all of those who engage with it. MonLife will be that organisation.

The Board and Management Team have clear objectives and priorities in order to plan and prioritise its work. It is essential that MonLife are doing the right things, meeting needs and determining the value of their contribution, questioning the 'how' and the 'what' so that MonLife can maintain the right balance – where the social and environmental agenda is not compromised by a drive to just increase income and that those who can least afford to pay for our services are supported the most.

There are opportunities to improve the Business; MonLife will be a dynamic organisation with plenty of enthusiasm and ambitious ideas working in partnership with others, particularly Monmouthshire County Council which will be paramount to its success. As MonLife matures as an organisation it will review and redevelop the Strategic and Business plans and consult with partners to remain relevant and at the heart of the community. Critical to its success is further development or refurbishment of key facilities and infrastructure via investment, projects, grants and programmes and it will ensure priorities for investment are based on data, latent demand and maximum return on investment.

This document contains the initial draft Business Plan. Some elements of the draft Business Plan remain as work in progress as there are still some aspects of the plan that require more detailed consideration by the new Board and Management Team, these will mature over the coming months.

1.1 What is MonLife?

MonLife is to be made up of a form of group company structure including a local authority controlled company, a charity and a trading company. It has charitable status and is a non-profit distributing organisation part funded by Monmouthshire County Council to deliver leisure youth and outdoor education, countryside, tourism, destination development, arts, museums and attractions. Monlife's visions and aspirations are captured in appendix 8.

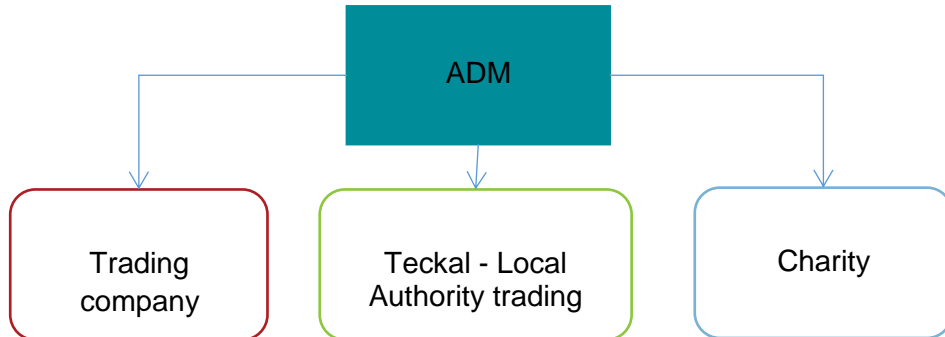
We provide leisure services from 4 sites within Monmouthshire and offer outdoor activities at 3 centres. We have 7 sites which incorporate our attractions and museums and also promote tourism information and offer some of the most impressive buildings with historical interest and activities to engage all ages. Countryside services oversee a large countryside access network and sites to provide outdoor experiences for communities and visitors alike.

MonLife will have an annual turnover of over £10m and circa 136 FTE staff and circa 340 active volunteers. It will work in collaboration with a large number of organisations including local clubs and societies (circa 356 partnerships) to ensure the best possible experiences are delivered to customers and communities.

The Charitable arm of MonLife is to be led by a Board of Trustees comprising nine Directors including two trustees nominated by MCC. The local authority controlled company will be led by a separate Board of Directors comprising three directors nominated by Monmouthshire County Council and two executive directors. MonLife will be established and operational in 2018.

1.2 Structure

The relationship between the three companies in the MonLife Group is shown in the diagram below.



The three companies will allow the group to operate in close partnership with Monmouthshire County Council through the wholly owned company, whilst having the benefits of independent charitable status for some of the work. The trading company allows greater freedom to engage in trade where it is needed.

The structure provides full accountability back to Monmouthshire County Council, whilst giving the companies the freedom to be entrepreneurial whilst ensuring that the operation is operating as efficiently as possible.

A vital feature of the structure is that all staff will work together as a single staff team, under the leadership of the Chief Executive and the senior management team. This will enable MonLife to develop a seamless and integrated organisational culture, offering economies of scale and greater efficiency than the present arrangement of largely separate silos.

Between December 2017 and going live in 2018, the MonLife leadership team will be actively recruiting suitable trustees and directors who can add value to the governance structures.

We acknowledge that as MonLife evolves new leadership skills and vision will be required. Whilst arrangements for filling the key leadership roles have yet to be made, we are confident that the team along with its Board and with some additional specialist roles will have the skills and vision to lead the successful spin out of the new company.

A full diagram of the proposed structure is shown at Appendix 1.

1.3 Adding Public Value

MonLife will operate as a family of Businesses that rely upon one another for promotion, support and optimal operation. As a collective, they help position Monmouthshire as a great place in which to live, work, play and visit. They also play a significant part in shaping the environment, preventing demand

that would normally end up requiring intervention by costly statutory services and all make a significant contribution to the social, environmental and economic health of the county.

By aligning to Public Service Boards and Well-being plans, MonLife will play a significant role in building sustainable and resilient communities, reducing inequalities and supporting vulnerable people. It will respond to the challenges and objectives of:-

- Preparing children and young people for the best possible start in life
- Responding to the challenges associated with demographic change
- Protect and enhance the resilience of our natural environment
- Develop opportunities for communities and businesses to be part of an economically and well-connected county.

MonLife will have enthusiastic and energetic people throughout the organisation. We will enable teams to thrive, learn and grow and continue to provide valuable local services. It is essential to empower the team to lead and reduce bureaucracy, as often they have the answers to improved efficient delivery and new ideas – ensuring we make the top line as big a priority as the bottom line. Workforce development is key to ensuring that staff within MonLife excel at customer service; the behaviours and attitudes that underpin this will be fully engrained into their organisational culture.

During the first year of operation, MonLife will be in transition from the Council and will have a change agenda programme to form a new dynamic organisation which is capable of grasping all the opportunities that come its way. This draft business plan is intended to help identify and create possibilities that will make the most positive impact over the next 5 years. It will help guide MonLife's work for the next 5 years recognising the demographic challenges, including an ageing population, increasing levels of obesity and inactivity.

2. Mission, Vision, Aims and Values

2.1 Mission

To promote healthier lives and inspirational experiences, and promote the vibrancy of Monmouthshire as a great place to be.

2.2 Vision

Enriching people's lives and creating vibrant places.

2.3 Aims

MonLife aims to:

- Enrich people's lives through participation and activity
- Build strong and vibrant places and communities in Monmouthshire

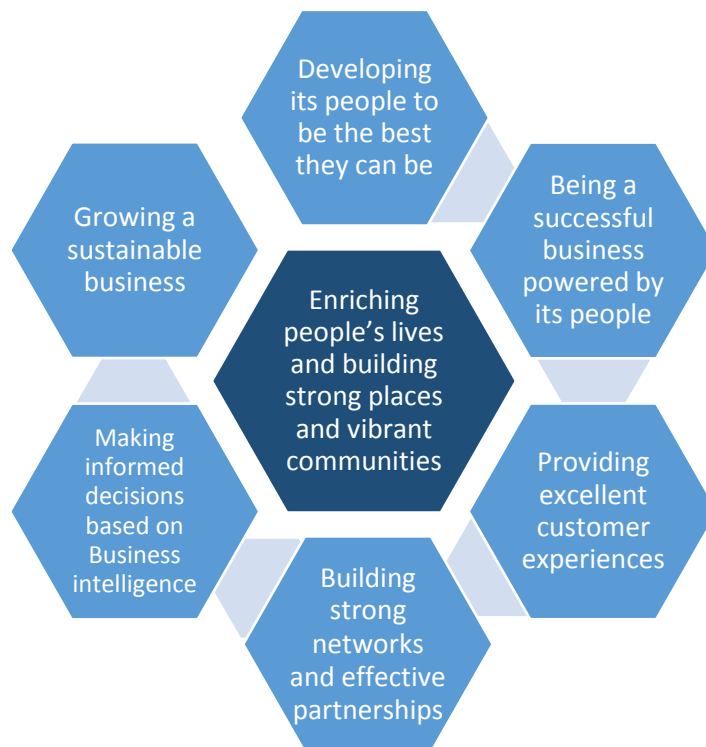
It will achieve these aims through building a successful organisational culture by;

- Developing its people to be the best they can be
- Being a successful business powered by its people
- Providing excellent customer experiences

- Building strong networks and effective partnerships
- Making informed decisions based on business intelligence
- Growing a sustainable business

MonLife will achieve its mission, vision and aims through its focus on customer engagement, working in partnership, its organisational attitudes, values and empowerment and its excellent business practice by:

Figure 1 – Diagram of Aims



2.4 Values

Quality and Excellence – 'It's how we do it'

Inclusive and Respectful – 'We're all in this together'

Collaborative and Creative – 'Working as one, caring for all'

Motivated, Passionate and Proud - 'It's what we do'

Resilient and Innovative – 'Sustainable inspiring services for the future'

Valued decisions based on evidence – 'Informed next steps'

Responsive decisions and implementation – 'Fleet of foot'

3. Strategic Objectives

The direction of travel for MonLife is to develop an organisation which meets the aspirations of MCC and its community in a challenging financial environment by transforming its services and culture to one which:

- provides the services and operates from sites and venues that people want to use, offering better quality for our customers and key partners;
- is a trusted and valued organisation, secure in its role as a leader for these services;
- diminishes the reliance on Council funding whilst continuing to deliver key services for the Council;
- has a business culture that is more flexible, entrepreneurial and commercially minded; and
- builds on the loyalty of our workforce both volunteers and staff who motivate a huge cross section of the community to take part in those services that improve lives.

What will make us different?

There are a considerable number of providers within the locality that provide a healthy competitive market to some of our service offer. Nevertheless we believe that MonLife has a number of distinctive features which make it unique.

Partners, Community & Outreach

- All our surpluses are reinvested in strategic priorities. We operate as a charity, a not for profit organisation;
- The organisation is run by local people with the right expertise who know the county well;
- We are strongly engaged with the local community and with outreach work beyond our venues;
- We have strong learning and health and wellbeing links; and
- We network collectively with 356 partners to enable us to grow and enhance our service offer.

Our Products and Service

- We provide many free services and where we charge, our charges are competitive offering great value for money which means more local people and community organisations can access our services;
- We have developed bespoke services to meet the widest range of interests of our customers and local community groups;
- Our workforce is dynamic, diverse and expert to ensure we deliver the optimum service offer for our customers and beyond;
- We are innovative and proactive with our approach to new products and trends; and
- We provide something for everyone across our service offer.

Our Users and Customers

- We provide a positive, enjoyable and supportive experience for a diverse community of users which acts to encourage many potential customers who might otherwise be deterred in participating in activities;
- We provide bespoke services, support and information tailored to the needs of individuals;
- We provide reliable and well informed professional advice and information services tailored to customer's requirements;

- We seek feedback from both our direct and indirect customers and regularly review our services against it; and
- We assess our progress against our outcome measurement framework embracing all of our activities.

MonLife will achieve its five year ambition through work focused on the following three strategic objectives:

Figure 2 – Key Strategic Objectives



3.1 Meeting Customer Needs

People are at the heart of everything, be they customers or potential customers.

MonLife will work hard to understand its markets and communicate effectively, including engaging with those people who may be harder to reach. We will ensure quality, accessibility to facilities and programme, and maintain the balance of universal provision with supported targeted activity.

Working to this objective will require:

- Excellent knowledge of our customers and the markets in which we operate;
- Motivating and communicating;
- Social and environmental responsibility;
- Growing customer loyalty; and
- Affordability and value for money.

We will have a relentless focus on our markets:

MonLife will operate in a unique marketplace. It will continue to provide a range of publicly funded or subsidised services to the citizens of Monmouthshire. We have ambitions to develop and improve all these services. In addition, we will provide services to many of the 2 million plus visitors who come to

Monmouthshire every year. These services will in the main be operated on a commercial basis with surpluses reinvested back into the public services for Monmouthshire citizens.

The Council has already carried out significant market research on these marketplaces including:

- Latent demand studies;
- Visitor information;
- Benchmarking across leisure and outdoor education services; and
- Latest industry dynamics.

These will continue to be developed as MonLife will focus on using business intelligence and market segmentation.

3.2 Financial Stability and Sustainability

Being efficient and effective and operating within our means.

This objective is crucial given the challenging public sector funding environment and underpins everything that MonLife will do. It is clear that MonLife must become less reliant on Council funding and find new ways to ensure their development continues, and to meet customer needs. For many of the venues, facilities and programmes MonLife will require investment and improvement, funding for which has been in decline over many years. The ability to generate increased levels of income will also largely be dependent upon being able to provide a high quality experience to customers. MonLife therefore needs to improve income generation, become more entrepreneurial and ensure that funds raised are invested in priorities determined on robust evidence.

Working to this objective will require:

- Targeted income generation;
- Investment in to improve services;
- Partnerships to engage people and deliver more and better services; and
- Value for money.

3.3 A Vibrant and Flourishing Organisation

Growing up, getting stronger and maturing as a charitable company is critical to our development and if we are to live up to all our and our stakeholder expectations.

MonLife will be flexible and entrepreneurially minded. We will work with all our staff to enable them to rise to this challenge. It is a step change that must be made and all our people will need to be involved in the process.

Working to this objective will require:

- Sound governance;
- Organisational culture development;
- Employee empowerment, knowledge and development; and
- Policy Development.

4. How MonLife will achieve this?

MonLife will look to deliver its objectives through five key work streams, each will be led by an operational director. Action plans will be developed which will regularly be reported to and monitored by the Board.

4.1 People and the Organisation

MonLife's biggest internal investment is in its workforce regardless of whether they are paid staff or volunteers. Their contribution has a profound impact on the business outcomes. The capacity to be leaders at all levels, to innovate and develop ideas is vital to the success of the business and people need to be empowered and encouraged to do so. MonLife will also seek to increase its ability to attract greater community interest and involvement in their work.

In its first 5 years MonLife will:

- Ensure existing services are delivered effectively – mitigating any effects of transition, perceived or actual;
- Implement adopted Policies and procedures, including safeguarding, to ensure robust mechanisms are in place to support services and the workforce;
- Manage the organisational transition to produce an effective business, that maintains and enhances relationships – managing changed relationships with stakeholders and growing partnerships;
- Generate increased uptake of services – beginning to take a more commercial approach to income generation;
- Embed integrity, equality of opportunity, and social and environmental responsibility in how they undertake the business – beginning to establish a company culture;
- To create a positive working environment where staff use their skills and expertise to deliver valued contributions to the business – building a new team and getting 'buy in' to the new organisation;
- Establish a Staff Board where representatives from within the workforce are able to contribute, inform and shape the growth and development of the organisation;
- Roll out the workforce development action plan that fully engages all employees and volunteers, and supports them to meet the objectives of the business;
- Implement performance management and accountability more robustly across the organisation; and
- Offer an improved standard and increased range of volunteering opportunities including those for young people, to benefit those seeking to change employment prospects, and enhance older people's community contribution and personal wellbeing; ensure the business has the appropriate mix and blend of effective and value for money support services to meet our business needs.

4.2 Sales and Marketing

MonLife has a diverse 'offer', with many products and a wide variety of customer bases. The range of product and customers gives us great potential to cross sell more effectively. This is dependent on us having excellent information about multiple users across the business and offering a consistent and joined up customer experience. MonLife will develop its brand and build upon it to generate new customers.

During the first five years MonLife will:

- Develop and implement a marketing strategy which seeks to invest and grow the products. across the business;
- To develop a better understanding of its customers and improve marketing activity – establishing new activities to lead to better communications and a stronger business base;
- Make use of customer information and data, to provide a stronger evidence base for decision making;
- Implement thematic marketing plans around customer bases;
- Seek ways to better integrate customer sales activity and increase cross selling, building this into plans for events, programmes and venues;
- Ensure that growing brand awareness is something that everyone in the organisation can contribute to and become champions for the services the business deliver; and
- Develop digital communications and engagement appropriate to a range of audiences.

4.3 Information and Communication Technology

MonLife will need to review its use of modern digital technologies. Current systems provide the management information and customer knowledge which will need to be evaluated to ensure it meets basic customer expectations such as online booking or joining. New technology could also help achieve efficiency savings in the longer term, better target our marketing, respond to trends, and communicate more effectively with our customers.

Over the next 5 years MonLife will:

- Enable customers to book and pay online prioritising services such as sport and fitness courses and classes;
- Ensure a priority for improvement to the electronic point of sales systems, which allow us to chart customer usage across our services;
- Enhance our digital presence, to improve our customer and visitor facing information;
- Develop a clear understanding of future needs and create a prioritised plan that allows us to improve working culture, make best use of creativity and innovation, and manage information;
- Allocate resource to drive our ICT improvements forward and give careful consideration to the implications of our plans on financial resources and systems support services; and
- Complete a Digital Strategy to plan and prioritise all the above.

4.4 Investing to improve services

The buildings and assets supporting MonLife's services have suffered from lack of investment – there just has not been the money in local government to keep pace with needs. MonLife will seek to find new ways to rationalise and be more efficient as well as thinking differently about how venues are used. Customer expectations are ever changing and programme providers have to be fleet of foot to keep ahead of trends and meet customer needs.

Alongside these new approaches MonLife will seek to establish a programme of investment in buildings and assets using its access to a range of sources of finance.

In its first 5 years MonLife will:

- Actively seek new investment from trusts, foundations and other sources of social finance to improve the services it offers;

- Monitor and respond to trends and identify opportunities for new programmes and uses of venues and facilities where return on investment can be optimised; and
- Take a lead role in co-ordinating programme provision with others, be willing to innovate more and introduce new content, taking risks where considered manageable.

4.5 Building partnership and collaboration

MonLife sees itself as part of the community it serves. It will work in a close partnership with MCC as well as developing a wide range of partnerships to support its services. The business will listen to others and be involved in genuine community partnerships. Matching ambitions and community aspirations with increasingly demanding funding constraints will require partners to plan together in the best interests of the area we serve and not to compete. MonLife will want to be recognised as the partner of choice.

In its first 5 years MonLife will:

- Demonstrate how it provides a good social and environmental return on investment;
- Engage with partners to share any available research that would help us better understand community needs and be open to joint commissioning of research;
- Work with an increased range of local and national partners who ideally will describe MonLife as an excellent partner to work with;
- Ensure a wide range of views and contributions are taken account of in the Action Plans
- Build in accessible opportunities for engagement of communities and customers in our planning for improvement from the outset; and
- Grow our presence and influence within the community planning and well-being framework.

5. BUSINESS PLAN DELIVERY

MonLife is confident that it can deliver its Business Plan making best use of available resources, having robust action plans and effective monitoring of progress. The action plans are summarised in the Appendices.

5.1 Financial Strategy

This business plan assumes that funding from Monmouthshire County Council for the next 5 years will be at a reducing annual fee. MonLife will therefore need to ensure that it can fund future inflation and other price increases. This will be achieved by a combination of additional income generation, efficiencies and service reductions.

To minimise the financial impact on services, the financial strategy has to focus on maximising income, particularly through increased participation, as well as reducing expenditure by improved efficiency.

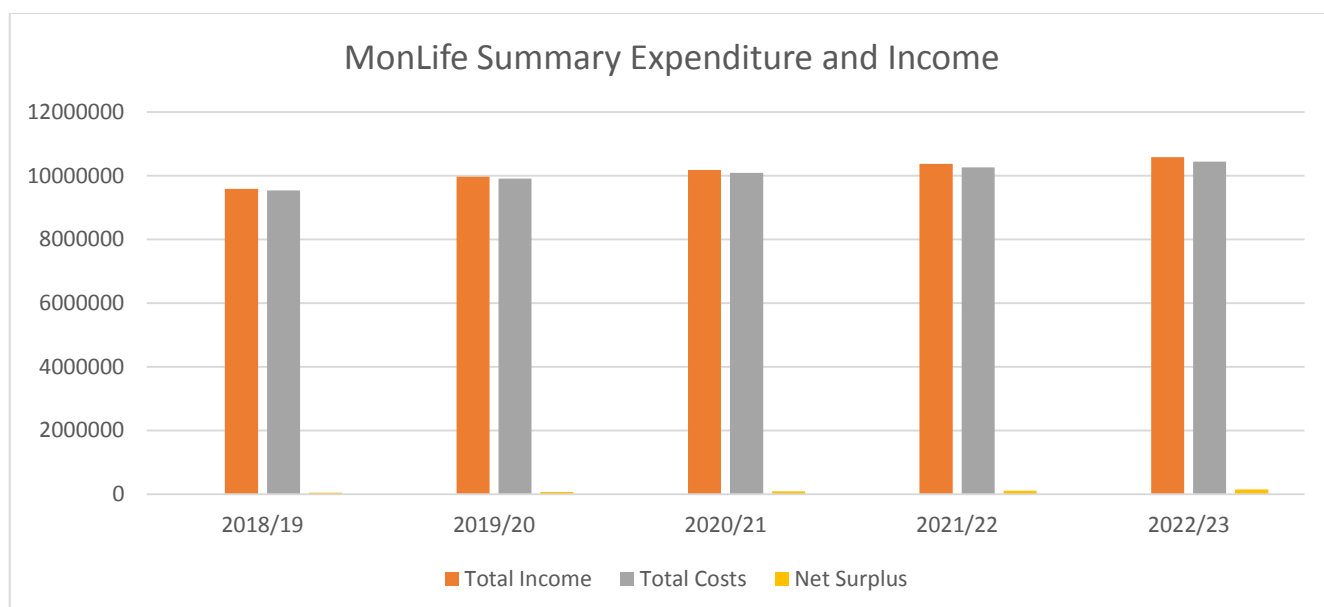
MonLife will operate with a small annual surplus from year one, with surpluses increasing gradually as new income streams come on line over its first five years. By year five MonLife will have generated a small reserve of £0.455m which it will use as a buffer against contingencies and to provide working capital for new developments and improvements.

The financial projections are based on prudent assumptions and are robust. Appendix 9 provides details of the assumptions used and the likely cash flow forecast. We are very confident in the leadership and staff to deliver or exceed these target figures.

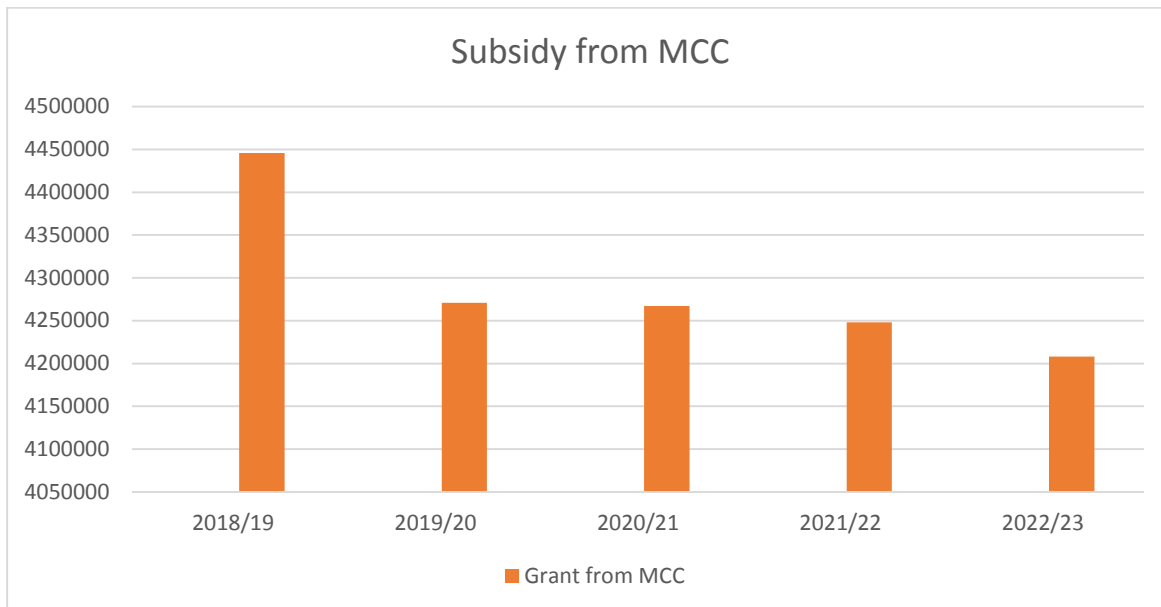
Table 1 – Financial Plan Estimates Income and Costs 2018 – 2023

FINANCIAL PLAN	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	Five Year Total £000's
Grant from MCC	4,446	4,271	4,267	4,248	4,208	21,440
Grant Income	542	543	543	544	544	2,716
School Income	388	390	393	396	399	1,966
Other Income	4,205	4,766	4,973	5,176	5,431	24,551
Total Income	9,581	9,970	10,176	10,364	10,582	50,673
Staffing Costs	5,795	5,996	6,091	6,168	6,252	30,302
Premises Costs	1,410	1,451	1,482	1,513	1,546	7,402
Transport Costs	94	97	100	103	106	500
Supplies & Services	1,283	1,392	1,437	1,474	1,525	7,111
Contracts	181	186	190	195	200	952
Internal support Services	695	701	708	716	723	3,543
Capital Financing Costs	73	82	83	85	85	408
Total Costs	9,531	9,905	10,091	10,254	10,437	50,218
Net Surplus	50	65	85	110	145	455

The following chart shows how MonLife will grow gradually over its first five years, returning a small surplus (profit) each year. This is in marked contrast to the expected position were its services to remain within Monmouthshire County Council.



MonLife will achieve this growth by increasing revenue from outside the council and making savings on Business Rates. It will also make efficiency savings through operating in new ways. It will do all this whilst working with a slowly reducing council subsidy as the next chart shows.



The result for the people of Monmouthshire will be:

- Improving services for the next five years (more and better quality)
- Lower costs to the council (a saving of approximately £1.9 million in five years over what MCC would have spent if its services had remained as they are)

As an independent group, MonLife will have access to funding from grant making trusts and charities, as well as tax benefits associated with charitable status. It will be able to respond quickly to market conditions and opportunities.

MonLife will build new relationships with the public and the communities it serves, increasing the involvement and participation of local people and helping to build social value.

5.2 Annual Action Plans

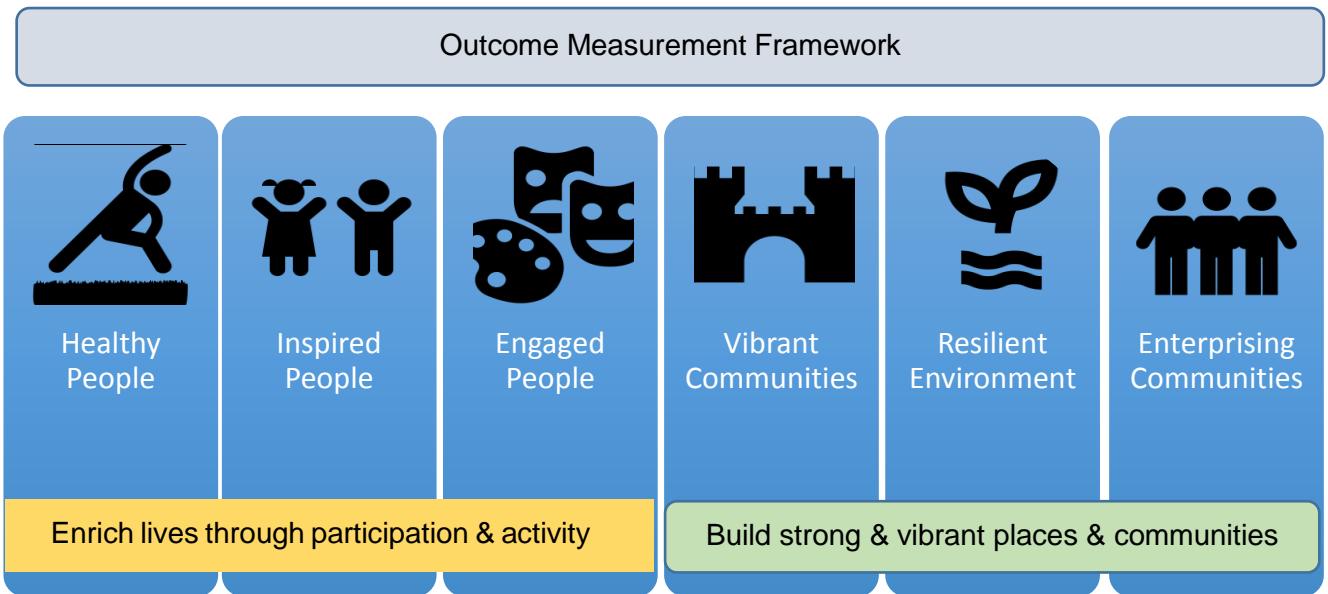
The objectives and priorities described in this Business Plan will be delivered through a series of annual action plans. The Annual Action Plan will consist of activities that directly contributes to this Strategy. Key priorities are outlined in appendix 2. Delivery of the Annual Action Plans will be managed across all our Business functions as well as project plans for developing key initiatives. An indication of the likely annual action plans are shown at appendix 3 and 4 and their impact on the Well-being of Future Generations Goals & Principles at appendix 8.

5.3 Impact and Evaluation

To measure our success we intend to build an outcome measurement framework which will embrace all of our activities. This has to be grounded in what MonLife does and wants to achieve. Developing an outcome measurement framework will take time as it needs to fully reflect our ambitions; align with the measures being established under national and local frameworks for well-being plans; and be sufficiently robust without being beyond our ability to implement and report on.

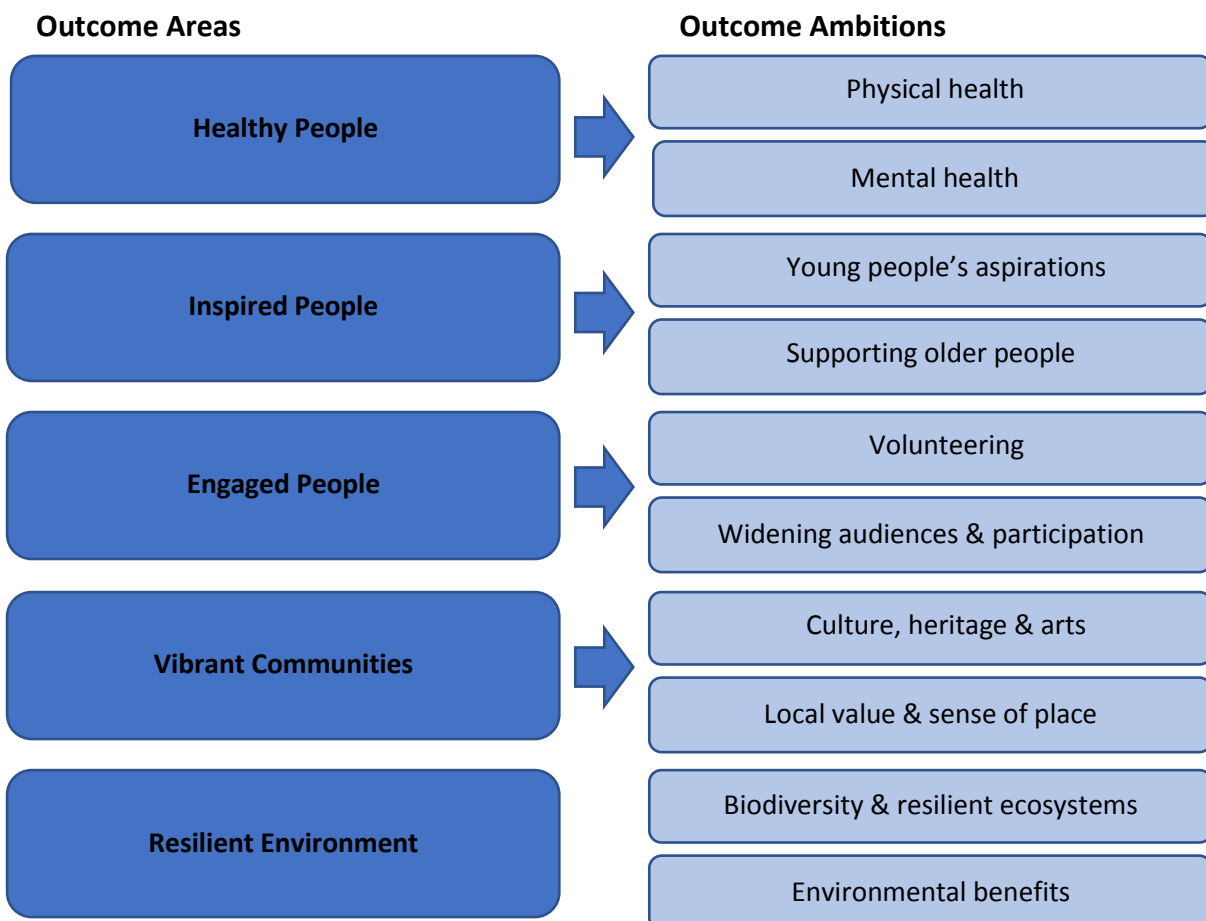
The outcome measurement framework will sit alongside our business metrics and the key performance indicators used to judge our business performance. It will provide us with measures to gather outcome

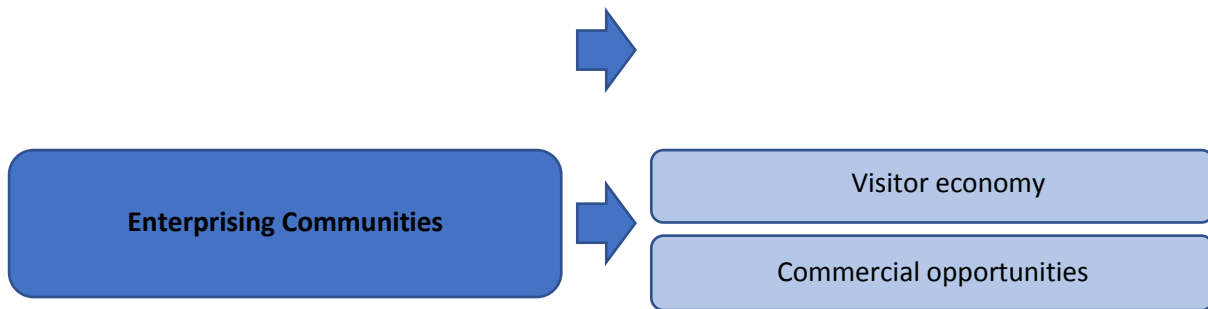
based evidence and drive the improvement of our performance by helping us to refine and develop our programmes and activities in the light of the outcomes they deliver. Based on our existing activities and ambitions we have identified these six cross-cutting outcome areas:



These areas embrace the Monmouthshire Public Service Board’s Well-being Objectives and the seven well-being goals for Wales identified in the Well-being of Future Generations (Wales) Act 2015.

As we develop the outcome measurement framework we will identify in detail our ambitions for each of these outcome areas and how we intend to measure them based on the following initial approach:





The setting and monitoring of Key Performance Indicators is also essential to the success and sustainability of MonLife. Across Tourism, Leisure, Culture and Youth Services (TLCY) there are currently numerous performance measures in place but there is a need to develop these further in the new model with a joined up approach. It is imperative that all staff are involved in this process and are aware of targets that need to be achieved and the reasons why, but most importantly they need to be realistic and achievable. Set out below are some examples of existing KPI's that need developing along with some new ones.

Existing KPI's	Impact 3-5 years of MonLife
The number of visits to local authority sport and leisure centres during the year per 1,000 population where the visitor will be participating in physical activity	Increased numbers and revenue to ensure services are protected and re-invested in to improve the offer leading to greater customer satisfaction and social and health benefits associated with regular activity
Leisure membership retention and attrition rates	Increase retention (currently between 12-14 months) to 12-24 months and lower attrition rates (currently between 4-5%) to below 4% through targeted marketing and retaining customers through loyalty and reward schemes
Swimming lessons uptake	Increase the uptake of swimming lesson places from 94% to between 98-100% and those children on DD from 95% to 98-100%
Number of visitors to attractions and Museums	Increased numbers leading to greater customer satisfaction and revenue through secondary spends
% uptake of floor areas	Increase uptake of floor space across all facility areas to between 80-100%
Occupancy levels within our Outdoor Education sites	Increase from 60% to 90%
Social Media followers and likes	Consolidate all of our existing social media accounts and channels and increase the number of followers and likes with targeted content, incentives and offers
Customer and non-user surveys and consultation	Ensure there are targeted surveys conducted across MonLife in specific areas to identify customer satisfaction levels to improve and develop the offer
8.57 total FTE days lost across TLCY due to sickness	Decrease sickness levels by 30% to 6.02 total FTE days
Retention of staff across TLCY is currently 96.46% of the total workforce	Increase retention of staff in MonLife to 98% of the total workforce
Currently 340 volunteers working across TLCY	Increase volunteers by 25% across MonLife
Currently 19 volunteer opportunities across TLCY	Increase volunteer opportunities to 25 across MonLife

We are also in the process of integrating our front of house point of sale and back office system across all areas of TLCY and exploring the option of introducing a new performance management framework reporting and business intelligence monitoring tool to monitor progress.

The Business Plan will be monitored and progress reported to the Boards and its continuing work will contribute to outcomes for Monmouthshire as a whole. For example by operating from venues that people want to use, providing responsive programmes and developing a workforce who motivate the community to participate the business can contribute to improving health and wellbeing, the tourism economy and enhancing the areas profile, community capacity building and reducing the impacts of poverty.

These services are currently measured by a series of key performance indicators (as shown in appendix 5). These indicators will be used and developed further to ensure that performance is regularly monitored, evaluated and improvements made where necessary. The performance dashboard currently used in leisure services and shown at appendix 6 will be rolled out across all services.

The Board will utilise the outcome measurement framework and further key financial and non-financial performance indicators to measure the success of this Business Plan over the next 5 years through annual reviews and reports.

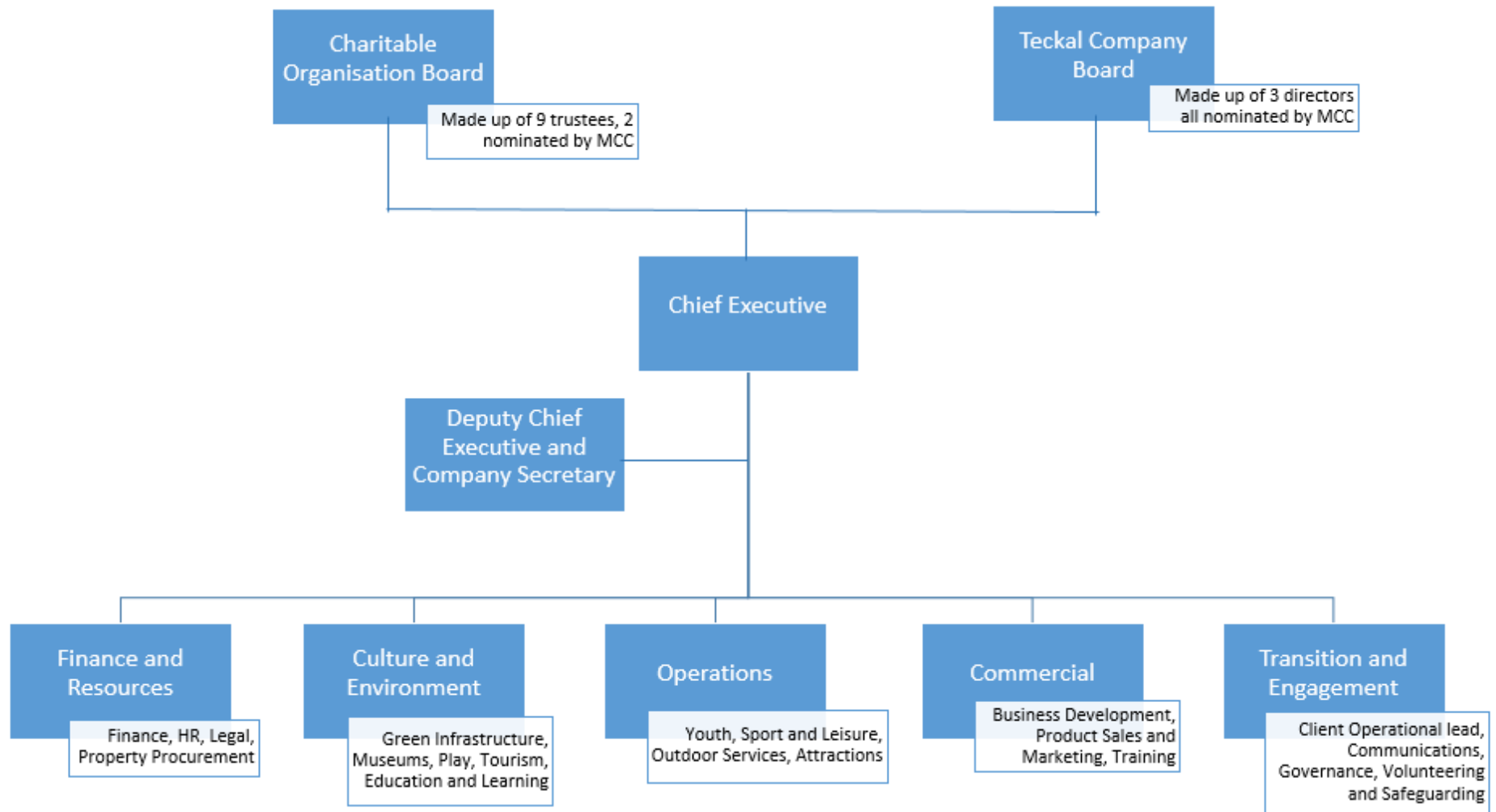
6. Conclusion: MonLife - delivering and improving services for everyone in Monmouthshire

MonLife is a new way to provide public services for Monmouthshire County Council. It is led by a dynamic and committed leadership team and group of staff who are fully committed to developing this new model and progressing future plans. With support from the Council and the engagement of people across the county MonLife will deliver more and improved services at lower cost to the council. It will contribute to help make Monmouthshire a more active and healthy place in which to live and work.

MonLife will help to improve and enrich the lives of the citizens of Monmouthshire, and its many visitors by bringing the services in to a single, agile and enterprising new organisation. Much needed investment in facilities and services will ensure that MonLife delivers a product that is fit for purpose and future generations to come. Through clear leadership and a motivated team with continuous monitoring of performance MonLife will be an efficient model that is both aspirational and driven towards delivering what matters to the citizens of Monmouthshire.

MonLife will work in a close partnership with Monmouthshire County Council (which will own and control a substantial part of the organisation). MonLife looks forward to going live in 2018.

Appendix 1 – Proposed Structure



Appendix 2 - MonLife Service Strategy and Priorities 2018 – 2021

Service Area	Strategy
<p>All Services</p>	<p>To develop and promote an enterprising culture, which builds business resilience and creates excellent outcomes for our communities. Maximise the offer and make key decisions based on accurate data business intelligence and a clear outcome measurement framework across TLCY. Be more commercially focused and sweat assets to ensure there is a comprehensive re-invest and re-design program to further develop and grow the customer offer.</p>
<p>Leisure Centres</p>	<p>Providing facilities and activities that are designed to enhance the quality of people’s lives and improve the health of our communities. There also needs to be a key focus on income generation to maximise opportunities and grow the business to re-invest in facilities and services.</p>
<p>Youth Service</p>	<p>Providing informal and non-formal learning opportunities supporting and enabling young people to develop holistically, facilitating their personal, social and educational development in order for them to reach their full potential. There is also an opportunity to develop programs in Youth and other services in Leisure and Outdoor Education with a dedicated joined up program of activities for ages 0-24.</p>
<p>Outdoor Education</p>	<p>Providing high quality, cost efficient outdoor education and adventure activities across South East Wales and beyond offering residential and day visits for business, school, college, youth and adult groups, Teacher training, CPD, technical skills courses and specialist outdoor services. Maximising the capacity uptake of all 3 facilities is also a key driver moving forwards.</p>
<p>Caldicot Castle & Country Park</p>	<p>Be recognised as a destination that people love, come to learn, to explore and to enjoy themselves in a setting that is beautiful and impressive providing a strong focus for engaging with the local community and for all visitors. Develop an events program that is commercially focussed including conferences and weddings packages and catering and grow the footfall through the site.</p>
<p>Shire Hall</p>	<p>Delivering a high quality, customer driven service, helping to create wonderful memories enabling visitors to connect with our rich history and explore our beautiful building whilst striving to ensure that, whatever the occasion, our guests experience is as special, memorable and impressive as possible. As part of this we will be looking to maximise facility usage for a wide range of activities including weddings, conferences, meetings, birthday parties as well as developing digital tours.</p>

Service Area	Strategy
Tintern Old Station	Providing the best possible customer focussed, accessible tourist attraction while striving to generate economic and social benefits for the local community and also to the visitors to Monmouthshire. There is a real opportunity to grow the commercial element at the Station with investment opportunities on the track, tunnel/store, additional parking areas, glamping, shepherds huts and catering offering.
Museums	Inspiring a passion for Monmouthshire with a mission to bring heritage, collections, arts and culture alive with our communities and visitors. To achieve this we will continue to implement the 5 year museums business plan.
Green Infrastructure & Countryside	To support resilient living and active environments for all. Our focus is on enabling health, activity, ecosystem and economic benefits. To achieve this we take a green infrastructure approach based around multiple benefits, multi-disciplinary and partnership working, wide involvement, volunteering and engagement.
Tourism	To help deliver the destination management plan which aims to increase the competitiveness of Monmouthshire as a year round sustainable tourism destination to grow the economic, environmental and social contribution of Monmouthshire's visitor economy.
Community Events	Bringing people together to enjoy themselves in a safe environment whilst showcasing Monmouthshire's most-loved assets generating additional income to invest back into our quality service and beautiful County.

Appendix 3 – Proposed Action Plans – Ensuring Financial Stability and Sustainability (Net Income Streams)

Area Outcomes Key: 1 -Financial stability and sustainability 2 - Meeting customer needs, developing and delivering valued services 3 - Organisational development, transforming the organisation	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Monitoring & Evaluation			Outcomes		
						Usage	Financial	Customer	Financial	Customer	Organisation
Leisure Centres											
The Monmouthshire Games New programme of sporting opportunities during all school holiday periods with the aim of growing a database of children who consistently attend.	£5,500	£7,980	£12,960	£17,939	£22,919	√	√	√	√	√	√
Personal Instructors The intention is to extend the current number of Personal Instructors from 1 to 3 per site with no additional cost.	£7,500	£8,000	£8,500	£9,000	£9,500		√	√	√	√	√
Swimming Lessons We will aim to increase our current Learn to Swim program by 81 children at £19.00 per membership.	£20,000	£25,000	£26,500	£28,000	£31,000	√	√	√	√	√	√
Training Academy To achieve this we will have to attract 150 people per year at an average of £150 a course over the 5 year period as part of a new training academy.	£3,500	£8,500	£18,500	£26,000	£43,500	√	√	√	√	√	√
Abergavenny Re-design Extension of the existing fitness suite from 30-40 to 50-60 stations and free weights area based on a latent demand of 288 members. Re-provision of the café into the reception area with a Costa style offer.		£18,900	£85,079	£87,058	£89,036	√	√	√	√	√	√
			£16,000	£19,000	£25,000						
Tourism											
Sale of Merchandise Developing and expanding our existing range of goods for resale.	£7,500	£10,000	£12,500	£14,000	£18,000		√	√	√	√	√
Catering New café income dependent on securing grant funding to establish Wye Tour Tea Room.	£3,250	£4,500	£11,500	£19,330	£22,158	√	√	√	√	√	√
Other Trading Activity Development of visitmonmouthshire.com to improve / upgrade the existing website content and functionality for customers to purchase items.	£1,500	£1,500	£1,750	£2,250	£2,750		√	√	√	√	√
Youth Service											
Training Delivering a training model offering qualifications such as: IQA training, EAT training, Wellbeing training.		£1,700	£2,800	£5,100	£7,500	√	√	√	√	√	√

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Area Outcomes Key: 1 -Financial stability and sustainability 2 - Meeting customer needs, developing and delivering valued services 3 - Organisational development, transforming the organisation	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Monitoring & Evaluation			Outcomes		
						Usage	Financial	Customer	Financial	Customer	Organisation
Outdoor Education											
Training Attract new client groups from schools outside of Gwent area including the private sector and corporate organisations	£6,750	£13,500	£18,000	£25,000	£32,000	√	√	√	√	√	√
Creation of a camp site at Hilston Park Extension of existing contract with NCS and the pods could enable an additional 2 activity groups to be accommodated.	£29,000	£33,000	£35,000	£40,000	£54,000	√	√	√	√	√	√
Activity with Schools Increase occupancy levels by 10% at Hilston and Gilwern for year 1 and 2 and 15% year 3 onwards.	£32,800	£32,800	£33,000	£35,650	£40,297	√	√	√	√	√	√
Duke Of Edinburgh Award - increasing uptake of existing course.	£2,500	£7,500	£12,500	£27,000	£40,000						
Tintern Old Station											
Crazy Golf Investment to add an income stream and to lengthen dwell time on site, based on 5% of visitors taking up the offer.		£28,000	£32,000	£35,000	£41,000	√	√	√	√	√	√
Train Rides Provide train rides and gain total ownership of the track to operate year round.	£7,000	£11,000	£13,000	£15,500	£19,500	√	√	√	√	√	√
Shepherds Hut Introduce one unit in Year 2 with an additional unit coming in years 3 and 4.		£5,400	£5,450	£11,900	£21,000	√	√	√	√	√	√
Wooden Camping Pods Introduce an initial unit in year 2 with an additional unit coming in years 3 and 4.		£2,400	£3,350	£4,000	£9,000	√	√	√	√	√	√
Merchandise The increase in revenue is very much dependant on the above projects especially the camping options.		£950	£2,300	£3,150	£5,600		√	√	√	√	√
Car Parking Introduce news ways of collecting car parking income and introduce changes to parking fees.	£17,800	£19,300	£21,800	£21,800	£23,800	√	√	√	√	√	√
Catering Operate the catering offer directly as opposed to on a lease agreement attempting to increase site usage with the above projects.	£11,333	£12,479	£11,046	£12,221	£16,141	√	√	√	√	√	√

Area Outcomes Key: 1 -Financial stability and sustainability 2 - Meeting customer needs, developing and delivering valued services 3 - Organisational development, transforming the organisation	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Monitoring & Evaluation			Outcomes		
						Usage	Financial	Customer	Financial	Customer	Organisation
Caldicot Castle											
Mobile and other Catering Offer The introduction of a mobile catering offer in the country park and increased uptake of new café within the Castle grounds.	£2,500	£6,500	£16,200	£26,100	£36,000		√	√	√	√	√
Museums											
Educational Services We aim to increase the offer of our 4 reminiscence boxes, 6 formal education workshops and 4 school loan boxes.	£500	£1,000	£1,200	£1,600	£2,000	√	√	√	√	√	√
Abergavenny Room Hire Increase the amount of general room hire and rents and ground hire at Abergavenny Museum for Weddings and Corporate Events.	£1,300	£1,800	£2,700	£3,500	£4,500	√	√	√	√	√	√

Appendix 4 – Proposed Action Plans – Meeting Customer Needs and Organisational Development

Service	Area	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Monitoring & Evaluation			Outcomes		
					Usage	Financial	Customer	Financial	Customer	Organisation
Service Wide	Implement a Marketing and Sales Team to develop a strategy across the group to ensure all commercial opportunities are maximised and there is a clear commercial direction.	√			<	<	<	<	<	<
	Introduce a bespoke back office system and team designed to take bookings, process sales, record and report accurate data and analyse performance to make informed decisions for the business	√			<	<	<	<	<	<
	Develop a team of staff who have the skills, knowledge and confidence to work and sell across many different areas of the business.	√	√	√			<	<	<	<
Leisure Centres	Continue to explore existing exercise referral routes and challenge a preferred way forward for citizens to access the National Exercise Referral Scheme in Monmouthshire.	√	√	√	<	<	<	<	<	<
	Continue to explore a preferred way forward for the continued participation in sport, inclusive participation and physical activity.	√	√	√	<	<	<	<	<	<
	Develop sport leadership and volunteering opportunities to provide the necessary skill base for our future workforce (developing leaders today for tomorrow).	√	√	√			<	<	<	<
	Grow our existing membership database through an innovative sales and marketing plan and focus on the Membership Wellness Journey and new Roadmap for retention	√	√	√	<	<	<	<	<	<
	Continue with a 50 week Learn to Swim Programme and aim to convert 99% of all junior swimmers over to Direct Debit.	√	√	√	<	<	<	<	<	<
	Invest in our facilities to re-design areas ensuring they provide opportunities for growth and sustainability i.e. Monmouth and Abergavenny LC plans.	√	√		<	<	<	<	<	<
Youth	Provide open access youth work provision to meet local need and identified gaps.	√	√	√	<	<	<	<	<	<
	Deliver specific and targeted provision for the most vulnerable young people.	√	√	√	<	<	<	<	<	<
	Provide the young people of Monmouthshire with the opportunity to participate in the Duke of Edinburgh Award.	√	√	√	<	<	<	<	<	<
	To provide a confidential and accessible counselling/therapy service for young people between the ages of 10-19 years old in Monmouthshire.	√	√	√		<	<	<	<	<
	Work with schools/other agencies to provide training and consultancy around mental health awareness.	√	√	√		<	<	<	<	<

Service	Area	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Monitoring & Evaluation			Outcomes		
					Usage	Financial	Customer	Financial	Customer	Organisation
Outdoor Education	Develop marketing to source new client groups and to ensure existing clients are aware of developments and opportunities for innovative programmes.	√	√	√	<	<	<	<	<	<
	Improvements to buildings and facilities available to client groups.	√			<	<	<	<	<	<
	Improvements in IT hard and soft ware systems.	√					<		<	<
Caldicot Castle	Develop and improve offer within the Castle and in the country park through catering, business conferences and weddings and linking it to our learning programme for the Education product.	√	√	√	<	<	<	<	<	<
Shire Hall	Develop the existing wedding offer.	√	√	√	<	<	<	<	<	<
Tintern Old Station	To run the miniature train throughout the whole season by building a storage tunnel and taking over sole ownership of the railway track.	√	√	√	<	<	<	<	<	<
	To install 3 wooden camping pods in our camping field and 3 shepherds caravans for Glamping in the tree ridge of big meadow and install electrical hook ups for camper vans.	√	√	√	<	<	<	<	<	<
	To plan an event programme around the existing hire of a wedding marquee.	√	√	√	<	<	<	<	<	<
Museums	To ensure we have a depth and breadth of skills to provide a professional museum offer.	√	√	√	<	<	<	<	<	<
	To increase and widen our user base and raise awareness of Monmouthshire Museums as part of the wider Arts and Culture offer.	√	√	√	<	<	<	<	<	<
	Contribute to a vibrant community by adapting to work in new and innovative ways.	√	√	√		<	<	<	<	<
Green Infrastructure & Countryside	Deliver the newly approved Biodiversity and Resilient Ecosystems Forward Plan, including developing actions with measurable targets.	√	√	√			<		<	<
	Participate with Natural Resources Wales and others in the co-production of the Area Statements required under the Environment Act (Wales) (South East Wales & Marine Area Statements).	√	√	√			<		<	<
	Progress the Rights of Way Improvement Plan Review in accordance with the approved timetable / statutory deadline	√	√	√			<		<	<
	Contribute to the delivery of the Living Levels Landscape Partnership scheme	√	√	√	<	<	<		<	<

Service	Area Outcomes Key: 1) Financial stability and sustainability 2) Meeting customer needs, developing and delivering valued services 3) Organisational development, transforming the organisation	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Monitoring & Evaluation			Outcomes		
					Usage	Financial	Customer	Financial	Customer	Organisation
Tourism	Deliver and monitor the revised Monmouthshire Destination Management Plan and new destination partnership arrangements	√	√	√			<		<	<
	Develop a sustainable future for Monmouthshire's Tourist Information Service through development of new income streams including an eShop and locally distinctive café, and a project to identify best practice visitor information provision.	√	√	√		<	<	<	<	<
	Continue to promote Monmouthshire to group travel / travel trade and business tourism markets through membership of Southern Wales and Meet Gateway South Wales consortia.	√	√	√	<	<	<	<	<	<
	Continue to undertake destination research and provide tourism business support, including data stewardship of the Wales Tourism Product Database which provides content for destination website, visitor information kiosks and visitwales.com	√	√	√	<		<		<	<
Community Events	Continue to deliver a varied programme of local events across all our venues.	√	√	√	<	<	<	<	<	<

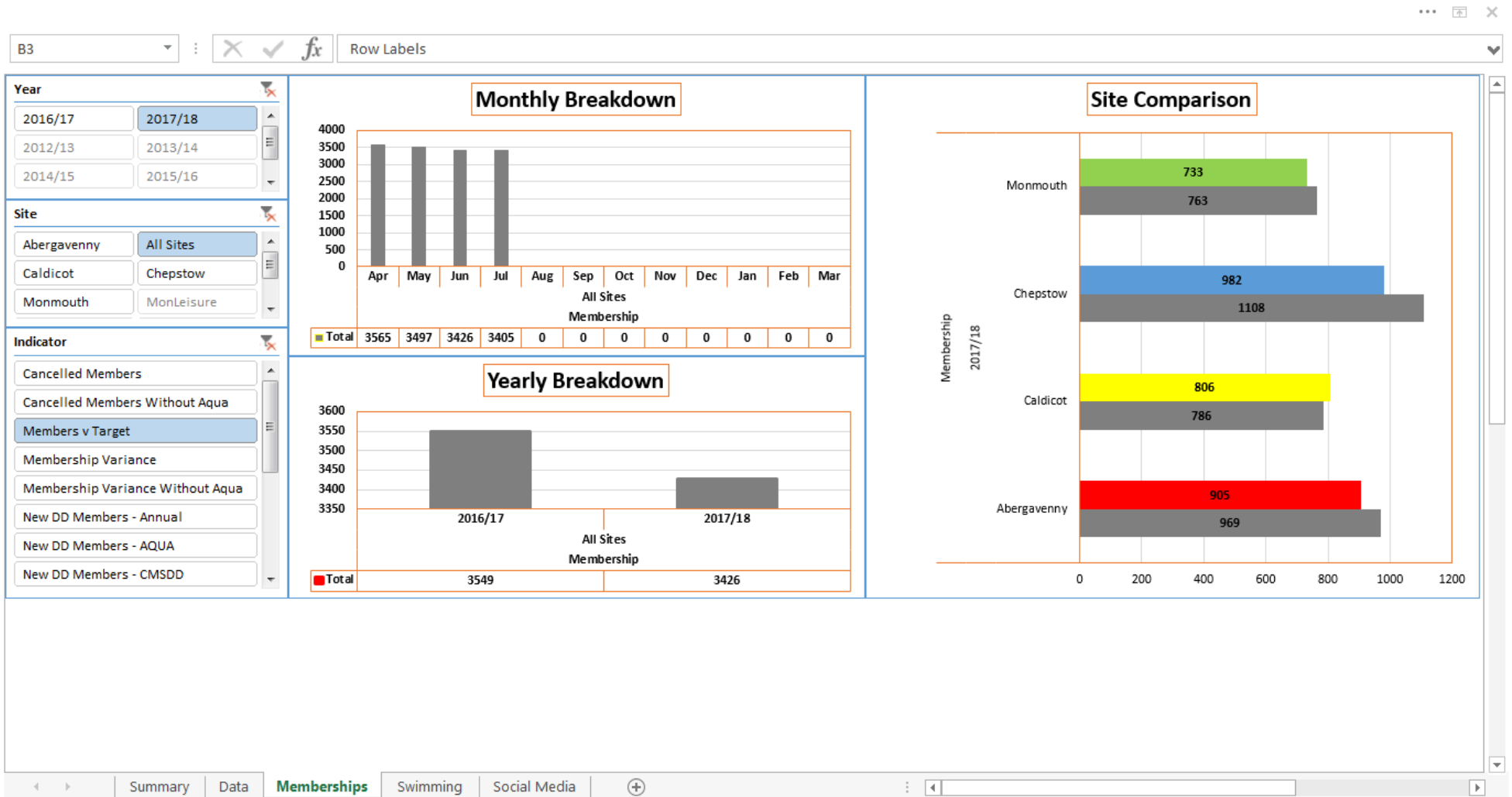
Appendix 5 – Existing Key Performance Indicators and Monitoring and Evaluation Methodology

Service Area	Existing KPI's	Current Reporting Periods & Processes	Current Monitoring & Evaluation
Leisure	<p>User numbers for visits in relation to Physical activity collected for WG as part of the NAWPI submissions.</p> <p>New and cancelled members, growth, retention and attrition rates.</p> <p>Swimming lesson uptake and DD breakdown.</p> <p>Case studies – seek to undertake 1 a month for use on social media and to report to funders (evidence building).</p>	<p>Reported on 6 months and annually</p> <p>Monthly reports completed as part of an overall membership monitoring performance dashboard.</p> <p>Report regularly in agreement with funders.</p>	<p>This is used to share with staff on site to assist with performance monitoring and healthy local competition.</p> <p>Share data on social media and website when possible.</p> <p>See Mon Leisure Twitter/Facebook for examples.</p>
Youth Service	<p>Whole service is based on feedback and conversations with young people and stakeholders, whether that be about activities or trips in youth clubs, or where youth work happens around the County.</p> <p>Collected through Case Studies, Emails, Outcomes Stars, Evaluation Forms, and Anecdotes.</p> <p>Compliments and complaints are recorded for SP's.</p> <p>All courses delivered are evaluated.</p> <p>Service has a national Quality Mark in Youth Work tool which is used for self-assessment. Checks that doing everything that is expected of a quality youth service.</p>	<p>Reported to the annual Youth Service audit, the annual Youth Service report, and Integrated Youth Offer report.</p>	<p>Information is used to inform change and direction in the service.</p> <p>Ensures constant and regular improvement for team to ensure better offer to our young people and stakeholders.</p>
Outdoor Education	<p>User numbers for Talybont Project Data for Big Lottery</p> <p>Big Lottery undertook their own evaluation visit 12-18 months after project completion but focus was on how the 4 authorities involved worked together for future learning.</p>	<p>The online customer feedback survey is part of a scheme run by the Association for Heads of Outdoor Centres. The same questions are used across the UK. This provides opportunities for nation-wide comparison, and can help to pressure government for support.</p>	<p>Use customer feedback to look for ideas for potential changes needed, and reassurance that things are going well and to standard.</p> <p>The drive to finish the improvements at Talybont has been strongly driven by customer feedback.</p>

Service Area	Existing KPI's	Current Reporting Periods & Processes	Current Monitoring & Evaluation
	<p>Customer Feedback is regularly recorded. Every child and teacher given opportunity to feedback online (back in Classroom).</p> <p>Focus is on recording how the person has developed. Form includes tick boxes and chance to comment. Findings can be filtered by keyword, site or trends. However, very school focused so not helpful for corporate users.</p> <p>All staff can access this feedback system.</p>	Used to do an annual report to the Gwent Forum (multiple local groups including Gwent Music, Library Service, Hearing & Visually Impaired).	
Caldicot Castle	<p>Visitor Numbers.</p> <p>Event numbers through advanced ticket sales.</p> <p>Numbers for wedding parties but general visitors to the park are unknown.</p> <p>Small database of previous users.</p>	<p>Visitor numbers are included in the (STEAM) data and quarterly Service Plan (SP).</p> <p>The SP also monitors VAQAS, Green Flag and Trip Advisor scores.</p>	<p>Helpful for targeted marketing.</p> <p>Supports audience development plan.</p>
Shire Hall	<p>User numbers – people counter on front door.</p> <p>Wedding/Meeting Hire post event feedback questionnaire.</p> <p>Community Groups – audited last year through a feedback form (tick boxes).</p>	User numbers – feed into SP	<p>Review feedback and decide if need to act on.</p> <p>Any complaints are brought to the staff's attention at the time.</p>
Old Station Tintern	<p>Visitor statistics on a regular basis (counted by desk). Count both cars and people using a clicker on busy days.</p> <p>Regular staff surveys.</p>	<p>Report on visitor statistics for STEAM figures.</p> <p>Also report to Tourist Board but only for tent camping figures.</p>	Feedback received used to inform decision making.
Countryside	<p>Number of path users via counters mainly on key promoted routes.</p> <p>Rights of way issues and resolution via CAMS database.</p> <p>Customer feedback.</p> <p>Volunteer hours / numbers (some project specific).</p> <p>Measures of performance on planning consultations.</p> <p>External evaluation via Green Flag Award accreditation i.e. Castle Meadows.</p> <p>Project reporting (to meet funder's requirements).</p>	<p>Report regularly (mainly annually) in agreement with funders. Mainly quantitative / reports on implementation progress.</p> <p>Most other data is collected quarterly or annually, for SP's, counter data on Wales Coast Path shared with NRW.</p> <p>Data also shared with partners to inform bids.</p>	To report to funders, to provide evidence for SP progress and to help inform new bids (but often lack of qualitative evaluation/ case studies makes this challenging)

Service Area	Existing KPI's	Current Reporting Periods & Processes	Current Monitoring & Evaluation
Museums	<p>Tourism data around walking.</p> <p>Visitor statistics recorded at each site on a daily basis. Also record some information around demographics and numbers of social media users, learning service users and Supporter Scheme members for KPIs.</p> <p>Visitor feedback is requested on site through visitor books, and through regular questionnaires related to certain exhibitions or activities, which is often for the purposes of reporting to funders.</p>	<p>Collated by Custodian staff and project staff.</p> <p>Closely monitored by museum management team.</p>	<p>Feedback is used to improve/amend services when possible.</p> <p>Information on our visitors is also used to back funding applications.</p>
Tourism	<p>Provide evaluation information against all grants using reporting criteria set by grant givers and need to provide evidence that we have delivered on outputs/value etc.</p> <p><i>Examples:</i></p> <p>RDP – (quantitative) number of businesses, value of conversion, economic benefit, marketing campaigns.</p> <p>TIS – show growth in number of enquiries, events, page views, social media followers etc.</p> <p>STEAM – used to calculate the settlement figure for local authorities.</p> <p>User numbers – TICs have sensor by the door, which counts the number of visitors.</p> <p>Marketing - Performance is monitored – e.g. websites, social media accounts, visitor survey results.</p>	<p>Continual evaluation.</p> <p>Tourism is one of the most audited departments – grant application outputs and STEAM.</p> <p>Also have to report regularly to Select Committee.</p> <p><i>Example</i></p> <p>STEAM – audited procedure on how collected. Used to show economic impact and allow comparison with other LA's including:</p> <p>Bed stock (also for Euro stats)</p> <p>Visitors to attractions, events, TICS</p> <p>Occupancy levels</p>	<p>Feedback informs all that Tourism do and have to prove it!</p>

Appendix 6 – Current Performance Dashboard for Leisure Services



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Appendix 7 - Well-being of Future Generations Goals & Principles

Project / Programme Name	Well-being Principles					Well-being Goals						
	Long Term	Preventative	Integration	Collaboration	Involvement	Prosperous	Resilient	Healthier	More Equal	Cohesive	Vibrant Culture & WL	Globally Responsive
Leisure Centres												
The Monmouthshire Games New programme of sporting opportunities during all school holiday periods with the aim of growing a database of children who consistently attend.	√	√	√	√	√	√	√	√		√		
Personal Instructors The intention is to extend the current number of Personal Instructors from 1 to 3 per site with no additional cost.	√	√				√	√	√	√			
Swimming Lessons We will aim to increase our current Learn to Swim program by 81 children at £19.00 per membership.		√		√		√	√	√				
Training Academy To achieve this we will have to attract 150 people per year at an average of £150 a course over the 5 year period as part of a new training academy.	√		√	√	√	√	√		√	√	√	√
Abergavenny Re-design Extension of the existing fitness suite from 30-40 to 50-60 stations and free weights area based on a latent demand of 288 members. Re-provision of the café into the reception area with a Costa style offer.		√				√		√				√
Continue to explore existing exercise referral routes and challenge a preferred way forward for citizens to access the National Exercise Referral Scheme in Monmouthshire.		√	√	√	√	√	√	√	√	√		
Continue to explore a preferred way forward for the continued participation in sport, inclusive participation and physical activity.		√	√	√	√	√	√	√	√	√		
Develop sport leadership and volunteering opportunities to provide the necessary skill base for our future workforce (developing leaders today for tomorrow).				√	√	√	√		√			√

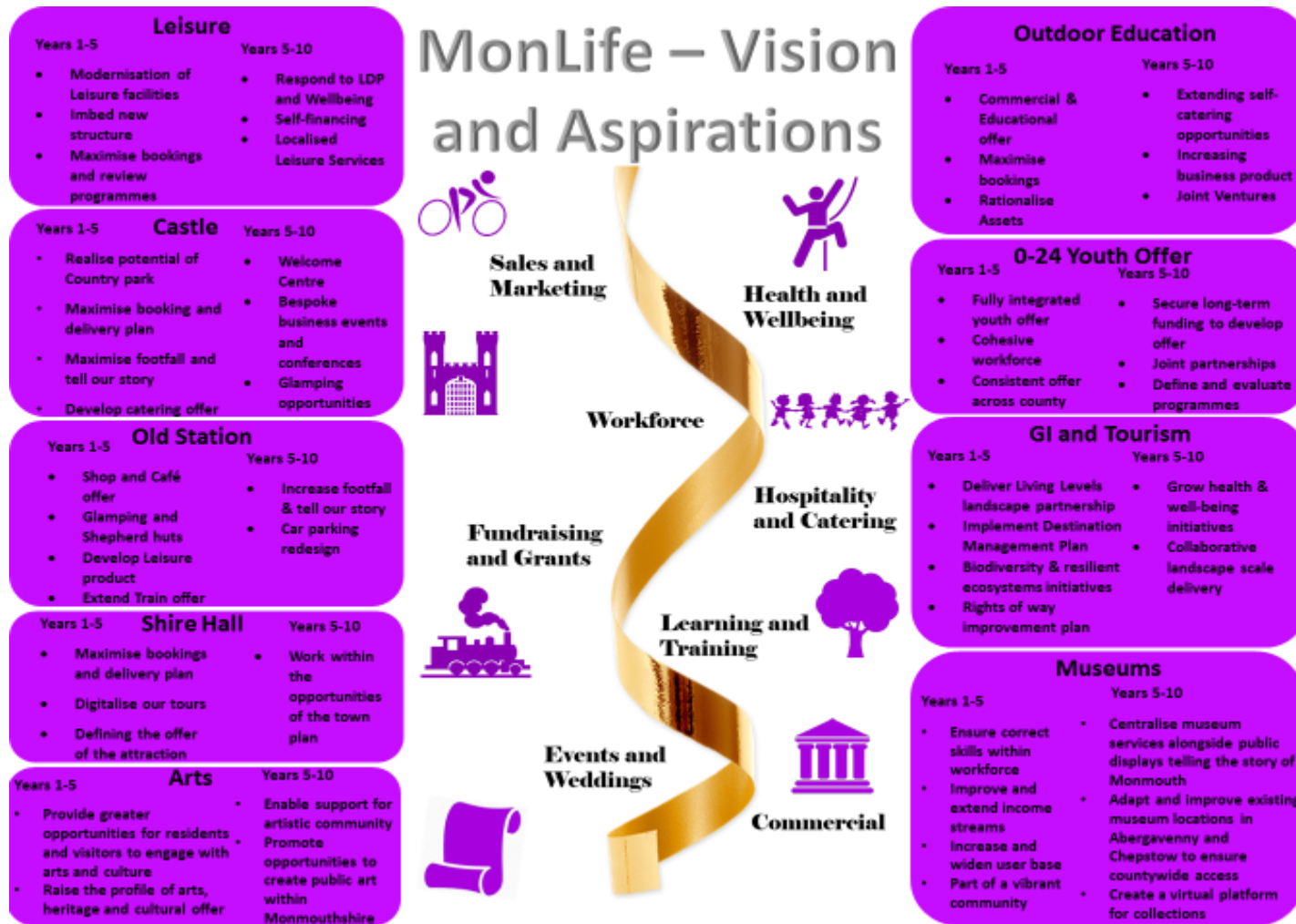
Project / Programme Name	Well-being Principles					Well-being Goals						
	Long Term	Preventative	Integration	Collaboration	Involvement	Prosperous	Resilient	Healthier	More Equal	Cohesive	Vibrant Culture & WL	Globally Responsive
Grow our existing membership database through an innovative sales and marketing plan and focus on the Membership Wellness Journey and new Roadmap for retention	√	√	√		√	√	√	√				
Continue with a 50 week Learn to Swim Programme and aim to convert 99% of all junior swimmers over to Direct Debit.	√	√				√		√				√
Invest in our facilities to re-design areas ensuring they provide opportunities for growth and sustainability i.e. Monmouth and Abergavenny LC plans.	√	√	√	√	√	√	√	√	√	√	√	√
Tourism												
Sale of Merchandise Developing and expanding our existing range of goods for resale.						√					√	√
Catering New café income dependent on securing grant funding to establish Wye Tour Tea Room.	√					√					√	
Other Trading Activity Development of visitmonmouthshire.com to improve / upgrade the existing website content and functionality for customers to purchase items.	√		√	√	√	√				√	√	√
Deliver and monitor the revised Monmouthshire Destination Management Plan and new destination partnership arrangements	√		√	√	√					√		
Develop a sustainable future for Monmouthshire's Tourist Information Service through development of new income streams including an eShop and locally distinctive café, and a project to identify best practice visitor information provision.	√				√	√	√			√	√	√
Continue to promote Monmouthshire to group travel / travel trade and business tourism markets through membership of Southern Wales and Meet Gateway South Wales consortia.	√			√	√	√					√	
Continue to undertake destination research and provide tourism business support, including data stewardship of the Wales Tourism Product Database which provides content for destination website, visitor information kiosks and visitwales.com	√			√							√	√

Project / Programme Name	Well-being Principles					Well-being Goals						
	Long Term	Preventative	Integration	Collaboration	Involvement	Prosperous	Resilient	Healthier	More Equal	Cohesive	Vibrant Culture & WL	Globally Responsive
Youth Service												
Training Delivering a training model offering qualifications such as: IQA training, EAT training, Wellbeing training.	√	√	√	√	√	√	√	√	√	√		
Activity with Schools Increase occupancy levels by 10% at Hilston and Gilwern for year 1 and 2 and 15% year 3 onwards. Duke Of Edinburgh Award - increasing uptake of existing course.	√		√	√	√	√	√	√		√	√	√
Provide open access youth work provision to meet local need and identified gaps.	√	√	√	√	√	√	√	√	√	√	√	
Deliver specific and targeted provision for the most vulnerable young people.	√	√	√			√	√		√	√		
Provide the young people of Monmouthshire with the opportunity to participate in the Duke of Edinburgh Award.				√	√	√	√	√	√	√	√	
To provide a confidential and accessible counselling/therapy service for young people between the ages of 10-19 years old in Monmouthshire.	√	√			√	√	√		√			
Work with schools/other agencies to provide training and consultancy around mental health awareness.	√	√		√	√	√	√	√		√		
Tintern Old Station												
Crazy Golf Investment to add an income stream and to lengthen dwell time on site, based on 5% of visitors taking up the offer.				√	√	√		√			√	
To run the miniature train throughout the whole season by building a storage tunnel and taking over sole ownership of the railway track.	√				√						√	
To install 3 wooden camping pods in our camping field and 3 shepherds caravans for Glamping in the tree ridge of big meadow and install electrical hook ups for camper vans.	√					√	√				√	√
To plan an event programme around the existing hire of a wedding marquee.	√										√	√

Project / Programme Name	Well-being Principles					Well-being Goals						
	Long Term	Preventative	Integration	Collaboration	Involvement	Prosperous	Resilient	Healthier	More Equal	Cohesive	Vibrant Culture & WL	Globally Responsive
Museums												
Educational Services We aim to increase the offer of our 4 reminiscence boxes, 6 formal education workshops and 4 school loan boxes.		√	√	√	√	√	√			√	√	
Abergavenny Room Hire Increase the amount of general room hire and rents and ground hire at Abergavenny Museum for Weddings and Corporate Events.				√	√	√				√	√	√
To ensure we have a depth and breadth of skills to provide a professional museum offer.	√			√	√	√					√	
To increase and widen our user base and raise awareness of Monmouthshire Museums as part of the wider Arts and Culture offer.	√		√	√	√					√	√	
Contribute to a vibrant community by adapting to work in new and innovative ways.	√		√	√	√	√	√			√	√	
Service Wide												
Implement a Marketing and Sales Team to develop a strategy across the group to ensure all commercial opportunities are maximised and there is a clear commercial direction.	√		√	√		√	√			√		√
Introduce a bespoke back office system and team designed to take bookings, process sales, record and report accurate data and analyse performance to make informed decisions for the business	√		√	√	√	√	√			√		√
Develop a team of staff who have the skills, knowledge and confidence to work and sell across many different areas of the business.	√			√	√	√	√			√		√
Outdoor Education												
Develop marketing to source new client groups and to ensure existing clients are aware of developments and opportunities for innovative programmes.	√			√		√	√				√	√
Improvements to buildings and facilities available to client groups.	√					√	√				√	√
Improvements in IT hard and soft ware systems.	√		√	√	√							√

Project / Programme Name	Well-being Principles					Well-being Goals						
	Long Term	Preventative	Integration	Collaboration	Involvement	Prosperous	Resilient	Healthier	More Equal	Cohesive	Vibrant Culture & WL	Globally Responsive
Caldicot Castle												
Develop and improve offer within the Castle and in the country park through catering, business conferences and weddings and linking it to our learning programme for the Education product.	√		√	√	√	√				√	√	√
Shire Hall												
Develop the existing wedding offer.	√					√					√	√
Green Infrastructure & Countryside												
Deliver the newly approved Biodiversity and Resilient Ecosystems Forward Plan, including developing actions with measurable targets.	√	√				√						
Participate with Natural Resources Wales and others in the co-production of the Area Statements required under the Environment Act (Wales) (South East Wales & Marine Area Statements).			√	√						√		
Progress the Rights of Way Improvement Plan Review in accordance with the approved timetable / statutory deadline	√					√	√	√			√	
Contribute to the delivery of the Living Levels Landscape Partnership scheme	√		√	√	√	√				√	√	
Community Events												
Continue to deliver a varied programme of local events across all our venues.	√		√	√	√	√				√	√	√

MonLife – Vision and Aspirations



Appendix 9 – Background Financial Information

The calculations for all of the financial information contained within this business plan is based upon the existing service budgets for 2017/18. It had been recognised that several services are experiencing financial problems where costs are outstripping the budget and an analysis has identified the areas where services are likely to overspend, both in 2017/18 and 2018/19. These have been identified and the subsequent pressure built into the model. The model also makes assumptions regarding NNDR relief and includes the budget for Leisure's share of the rates budget that currently sits within the school budget. There are potentially other budgets for school and leisure which for operational reasons have been combined but these will now need to be separated. Work is currently ongoing with the School sites to establish new service level agreements to ensure maximum usage of all sites however the model only assumes that charges to schools will rise in line with inflation.

The model uses the same inflation factors for pay and pension contributions as in the MTFP but differs on other costs (circa £3.7m), in that for 18/19 and future years, inflation has been built into the model based upon predictions from the Office of National Statistics. The model also takes account of VAT implications for both the Teckal and Charitable arm and has been checked by independent VAT consultants to ensure the correct treatment has been applied.

The model also identifies the extra annual costs of running the Monlife Group and includes a selection of income generating proposals. Income generating options were scored (RAG) and only those that were identified as 'green' were included within the model. These proposals were then stress tested and evaluated by an independent consultant to determine their achievability.

Cash Flow Forecast

The model assumes that the grant payment from the Council will be received in four equal instalments on the first day of each quarter. Income and expenditure has then been profiled using a trend analysis from the existing general ledger to ensure the organisation will be solvent. The cash flow table below shows that MonLife would be in surplus throughout every month of the five year grant period.

MonLife Group - Cash Flow Forecast

Cash Flow - Monthly Surplus	Month 1 £000's	Month 2 £000's	Month 3 £000's	Month 4 £000's	Month 5 £000's	Month 6 £000's	Month 7 £000's	Month 8 £000's	Month 9 £000's	Month 10 £000's	Month 11 £000's	Month 12 £000's
2018/19	770	668	342	1,135	492	72	863	778	180	1,200	819	50
2019/20	791	713	413	1,175	530	130	892	843	232	1,242	875	115
2020/21	857	786	492	1,254	602	206	968	930	311	1,329	964	200
2021/22	941	879	593	1,353	697	306	1,067	1,040	415	1,438	1,076	310
2022/23	1,046	996	723	1,477	818	435	1,191	1,180	547	1,575	1,219	455



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 consider a new Delivery Model for Tourism, Leisure, Culture and Youth Services</p>
<p>Name of Service: Enterprise including Tourism, Leisure, Culture and Youth</p>	<p>Date Future Generations Evaluation 15th November 2017</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.



4 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>


<p>Well Being Goal</p>	<p>Does the proposal contribute to this goal? Describe the positive and negative impacts.</p>	<p>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</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>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>Any Alternative Delivery Model will also 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 formation of an Alternative Delivery Model will sustain and grow services. 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 formulation of an 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 new organisation 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>

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>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>An initial staff engagement day was organised following the business mandate for 2016/17. All service areas were invited to participate and contribute to how they would like to be kept up-to-date and involved as we start to look at the process and present the options. 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> <p>An extensive customer survey on, 'what matters', has been undertaken across all our services where, 1,200 returns have been obtained.</p> <p>We have also completed staff workshops and consultation to assist in designing our brand, culture, purpose and vision to provide the Alternative Delivery Model with a clear focus and direction that is shared by all involved.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p> <p>Prevention</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 Alternative Delivery Model 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>

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>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, 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 single outcome measurement 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?
Age	<p>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.</p>	n/a	<p>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.</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?
Disability	Any new re-design and development will be DDA compliant.	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
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.

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	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?

The Cabinet report proposing the move to an Alternative Delivery Model is founded upon the following reports:

- 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

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.

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
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	January – April 2018	Ian Saunders & Working Group	
Subject to approval the ADM will go live	July 2018	Ian Saunders & Working Group	

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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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	<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>	

Questions posed by MCC SLT and Finance Colleagues

Appendix D

This list is not intended to be exhaustive at this stage, but merely aims to highlight some of the further work and activities that may be required to reach Full Business Case and demonstrate a clear full comparative analysis of Options 2 and 3 for a final decision to be taken.

	Question	Cross reference to Business Case
1.	Why are we considering/proposing to set up a new delivery model?	Pages 6-15
2.	What are the benefits to the Council; Services affected and the public of a new delivery model being set up? How does potential transfer help sustain services more generally?	Pages 23-26; 28-32; 63-64; 88 (App E); 155 (App X); 138 (App U)
3.	What assumptions are made about increased attendance, and how would the new delivery model propose to achieve e.g. new facilities, refresh of old, marketing?	Pages 30-31; 64-66; 88 (App E)
4.	How does it all work – how is it afforded?	Pages 60-68; 88 (App E); 155 (App X)
5.	What's the level of set up costs involved in establishing a new entity?	Pages 14; 40; 60-62
6.	Can it be demonstrated the level of continued support required from the Council and its reduction over time?	Pages 13-14
7.	How can the reduction in corporate support be achieved?	Page 66&67; 88 (App E)
8.	What are the net cost/savings?	Pages 30; 60-63; 65-67
9.	What will be the sustained/improved performance of the service areas affected?	Pages 28-32; 60; 64-66
10.	What is the length of contract intended to volunteer to the Council?	Pages 66 ; 155 (App X)
11.	How will the proposed transfer impact the provision of other services staying within the Local Authority?	Page 52-53

12.	What will be the effect on jobs – positive/negative, sustaining/declining, terms and conditions etc.?	Pages 55-59
13.	Do we know where local and national union representation stands on the creation of a Trust?	Pages 56; 104 (App K); 136 (App T) Union Statement – Appendix F as provided as part of papers with report
14.	What mechanisms are envisaged as an adequate review mechanism, and what “breakpoints” are advocated where Council get an early opportunity to influence any failing situation?	Pages 46-53; Also refer to Appendix D in the papers circulated for Joint Select - Paper on Board Structure and Make-up
15.	Has consideration been given to the risks involved in setting up an ADM and what will be the mitigations required to ensure future success?	Page 110 (App K)

Monmouthshire County Council ADM

Commentary on Board Structure and Make-up

1. The Boards of Directors

1.1 We set out below:

- 1.1.1 a detailed explanation of the duties owed by directors to a company, the impact of breaching these duties, and some practical steps to take to assist in ensuring directors comply with these duties;
- 1.1.2 suggestions for the Boards of the Teckal company, trading company and charity, including recommendations in terms of numbers and make up of each Board.

DIRECTORS' DUTIES

1.2 The board of directors is ultimately responsible for running a company, and directors have a range of core statutory duties. These general duties are set out in sections 171 to 177 of the Companies Act 2006 and are:

- 1.2.1 **the duty to act within powers** – to act within the company's constitution and only to exercise the director's powers for the purposes for which they are conferred;
- 1.2.2 **the duty to promote the success of the company** – the director's primary duty is to the company and it is important that those directors appointed by the Council understand this. Directors must act (in good faith) in a way which would be most likely to promote the success of the company for the benefit of the members or shareholders as a whole. In so doing, directors must have regard to a non-exhaustive list of matters;¹

¹ These are:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

- 1.2.3 **the duty to exercise independent judgment** – although this does not stop a director from acting in accordance with any agreement entered into by the company that fetters the directors' discretion;
 - 1.2.4 **the duty to exercise reasonable care, skill and diligence** – the duty of care is that of a reasonably diligent person with the general knowledge, skill and experience reasonably expected of somebody in the director's position, and the director is expected to use the general knowledge, skill and experience that s/he personally has;
 - 1.2.5 **the duty to avoid conflicts of interest** – directors must avoid situations where they have (or might have) a direct or indirect interest that would or could conflict with the interests of the company. However in some situations, a board or members can authorise a conflict situation and set parameters around a director's activities, or manage the conflict in other ways. This is discussed further in context of the suggested make-up of the Boards below;
 - 1.2.6 **the duty not to accept benefits from third parties** – directors must not accept benefits where these are conferred by reason of their being a director of a company;
 - 1.2.7 **the duty to declare interests in proposed actions or transactions** – where a transaction or arrangement is being considered or entered into by the company, directors must declare to their fellow directors if they have any direct or indirect interest in that transaction or arrangement. This would commonly result in the director with the interest being excluded from the decision making process for that transaction or arrangement.
- 1.3 These general duties must always be complied with, save for a few limited exceptions:
- 1.3.1 the Companies Act 2006 expressly allows directors to make provision for certain employees (or former employees) in connection with the cessation or the transfer of the company's business, even where to do so would otherwise be a breach of one of the general duties; and
 - 1.3.2 in certain circumstances directors (or members/shareholders) may authorise matters that would otherwise be a breach of duty – e.g. in relation to conflicts of interest, directors or members may authorise directors to continue to act despite a conflict.
- 1.4 These general duties cannot be excluded or diluted by the company's constitution.

IMPACT OF BREACHING THE GENERAL DUTIES

1.5 If a director breaches one or more of the general duties:

1.5.1 the company may have grounds to bring a civil action against the director; or

1.5.2 the director may be disqualified if they are shown to be unfit to be concerned in the management of a company as a result of the breach.

Action for breach of duty may be taken by the Board on behalf of the company. However, the Board may be unwilling, or unable, to take action against a fellow director. In such a case, the company itself can take legal action against a director (or former director) for breach of duty through a derivative claim brought by one or more members. A member/shareholder can also bring an action for unfair prejudice in his own right.

WIDER LEGAL DUTIES

1.6 The general duties set out in the Companies Act 2006 are not meant as an exhaustive list, and are in addition to wider legal duties. For example, while directors are not generally personally liable for a company's debts, they can become so if they give personal guarantees (something which we consider is extremely unlikely in the circumstances). Directors might also incur direct liability where there is fraudulent trading, wrongful trading, misfeasance or breach of the director's fiduciary duty to the company.

PROTECTING A DIRECTOR FROM LIABILITY

1.7 The Companies Act 2006 contains a general prohibition against exempting or indemnifying directors against any liability that would otherwise attach to him in connection with any negligence, default, breach of duty or breach of trust. However, there are statutory exceptions to this general prohibition, which provide that:

1.7.1 a company may acquire and maintain insurance for its directors, or those of an associated company, against such liability; and

1.7.2 a company may provide an indemnity for its directors, or those of an associated company, against certain liabilities, provided that such indemnity is a qualifying third party indemnity or a qualifying pension scheme indemnity under the Companies Act 2006.

1.8 Directors can also be relieved from liability by the members or shareholders of the company ratifying conduct that amounts to negligence, default, breach of duty or breach

of trust, subject to such conduct being capable of ratification, or by the court in certain circumstances.

PRACTICAL STEPS TO COMPLY WITH DIRECTORS' DUTIES

- 1.9 While directors each have a personal responsibility to comply with their duties, practical steps can be taken to assist the directors in their compliance and to give assurances to a company as to the compliance of its directors with those duties through creating the right corporate culture. These include:
- 1.9.1 providing training to new directors on the extent of their general duties, potentially as part of a wider induction programme (see further below in the context of the options available to the Council in terms of who is appointed to the Boards);
 - 1.9.2 ensuring that directors are briefed on their duties before (or as) they are appointed, and that they are also briefed or refreshed at regular intervals following appointment;
 - 1.9.3 regularly taking the directors' duties into account in the company's strategies and operations;
 - 1.9.4 review or draft company policies (especially in the context of corporate responsibility and compliance) in the light of the directors' duties;
 - 1.9.5 making reference to the general duties in each director's terms of appointment (or services contracts where there are any) and in the terms of reference for any committee to which the board delegates.

MAKE-UP OF THE BOARDS – GENERAL

- 1.10 The Boards of both the *Teckal* company and the trading company can comprise officers, Members and independent non-executive directors (for example, individuals that are recruited to bring a specific skill set). The companies could also directly employ executive directors engaged full time in running the company. There is no legal requirement to have a managing director or finance director, but the Council may wish to consider allocating portfolios of responsibility to individual directors. In addition, there is obvious benefit in one individual having responsibility for leadership and for making key decisions about the company's activities.

1.11 In terms of numbers, we would recommend an odd number of directors (and a minimum of three) to avoid deadlock situations in decision making, and a maximum of around 12 directors to avoid decision-making becoming unwieldy.

MAKE-UP OF THE BOARDS – MEMBERS AND OFFICERS AS DIRECTORS

1.12 The Council will need to consider who it appoints to the Boards of each company. As mentioned above, this can be made up of officers and/or Members, and third parties, in differing proportions.

1.13 Should the Council decide that any Members should be appointed as directors, care should be taken to manage conflicts of interest between the duties to act in the best interests of the company or companies they are directors for (see paragraph 1.2 above) and the duty to act in the Council's best interests. Neither of these duties can be either avoided or delegated which can mean that an individual Member who is a director may find that in reality they must be excluded from decision making on one or both sides of the relationship.

1.14 We therefore advise the Council to consider whether Member involvement is better suited at a shareholder/Member level where the same conflict should not arise because the Council as shareholder is only required to act in its own best interests.

1.15 If there is a desire for individual Members to be appointed directors of the *Teckal* or trading companies, we would advise the Council to consider carefully which Members these are in the context of the Council's internal decision making processes. For example, if the Council takes the view that Cabinet should act in the shareholder capacity, then ideally no Member that sits in Cabinet should be appointed as a director. If they are, then they are likely to have to regularly declare a conflict of interests, and this is likely to lead to their being ineffective as decision makers, either within the Council or on either company's Board.

1.16 Officer directors will, of course, also owe duties to the Council. However, these duties arise from their terms and conditions of employment and, as such, it is possible for the Council as their employer to amend these terms and conditions to say that the officer may act as a director of the company and that, where they so act, the officer should put the interests of the company first (as the law relating to directors requires).

- 1.17 Where officers are appointed then consideration should still be given to their position and responsibilities within the Council. Officer directors should not advise the Council as shareholder on action or decisions to take relevant to the company. We generally also advise against Section 151 Officers being appointed to boards where they may be making recommendations in the Budget that benefit the company (although this can happen where the Council is happy for a deputy Section 151 Officer to deal with such recommendations).
- 1.18 In practice, many officers serve as directors of local authority companies without any problem. What is of most importance when setting up the companies is that the Board will provide the needed qualities and experience, and that the Council is satisfied that its interests as the sole shareholder/member are being properly served.
- 1.19 It is however important that a consideration of the practical points and potential conflicts of any appointment is undertaken beforehand, as it is frustrating to all if a director is frequently prevented from acting due to conflicts arising.
- 1.20 Furthermore, of course, the existence of apparent bias or predetermination towards the company by the Council when decisions are made (whether by officers or Members) can give rise to actions for judicial review.

REMUNERATION OF DIRECTORS

- 1.21 Another relevant point which sometimes has a bearing on Board membership concerns any payment for acting as a director:
- 1.21.1 Member directors are limited by the Local Authorities (Companies) Order 1995 as to the level of remuneration and expenses they can receive (allowances must be comparable to an equivalent role under the Scheme of Allowances and any payment by the company reduces any allowance due to the Member from the Council);
 - 1.21.2 the Local Government Act 1972 prevents Officers from accepting any direct remuneration from a company, although nothing prevents the Council from directly remunerating an Officer for taking on additional responsibilities on its behalf and at its request, even though those additional duties are through and with the company;
 - 1.21.3 Officers and Members should be aware that when they are acting as directors they are not normally protected by their usual statutory immunity, or by the

Council. The Council should consider whether the nature of the company in question provides protection and whether this covers the personal liability of Directors. The Council should take particular care in granting any indemnity to an officer or Member and ensure that they are acting within their powers as set out in statute. Any indemnity / insurance should be taken out by the company rather than the Council.

THE BOARDS OF THE TECKAL AND TRADING COMPANIES

- 1.22 Given the requirements under *Teckal*/ Regulation 12 rules the Council needs to maintain a degree of control over at least the *Teckal* company, and so it is important to consider how directors on the Board of the *Teckal* and trading companies are appointed and removed.
- 1.23 As mentioned above, the Board could include Members, officers, and externally-recruited non-executive directors. We anticipate that the Board of the *Teckal* company would be entirely appointed by the Council, at least at the outset.
- 1.24 The Council may be comfortable for the Board of the trading company to recruit and appoint non-executive directors itself. Initially, though, the Boards of the *Teckal* company and the trading company can be the same.
- 1.25 From the perspective of Regulation 12, sufficient control of the *Teckal* company can be demonstrated simply by ensuring that the Council appoints the Board; this does not preclude directors being found from the private sector. In terms of proportions, a helpful model might be local authority arms-length management organisations (ALMOs). These typically divide their Board three ways: one third appointed by the Council (often but not always also being officers or Members), one third being tenant board members, and one third being independent board members recommended by the Board to the parent local authority – so fully two thirds of the board members are not directly council appointed. In this scenario the parent local authority also has the ability to remove any director. A similar situation might be created for the *Teckal* company. If the majority of the directors were to come from private sector, then measures need to be put in place to protect the Regulation 12 exemption. This might include, in a similar way as is seen in ALMOs, the Council having the ability to remove any director at will. While this might create a Board of Directors which feels slightly more consultative in nature than the norm for a company, this would enable the *Teckal* company to benefit from private sector expertise while protecting the Regulation 12 exemption.

HOW MANY BOARD MEMBERS?

1.26 Again, the ALMO model may give some helpful guidance – in many ALMOs the Board typically has 15 Directors. Given the *Tecka* and trading companies will have the Council as their sole member / shareholder, a sensible number for the Boards may be 9 or 11:

1.26.1 the Chair;

1.26.2 5 Non-Executive Directors;

1.26.3 3 or even 5 Executive Directors – so potentially a CEO, an FD, and one or more others.

THE CHAIR

1.27 The chair is a director appointed to take responsibility for procedural control over meetings of the company's Board (and often shareholder meetings also). As a rule the chair would be expected to be responsible for:

1.27.1 leadership of the board, ensuring its effectiveness on all aspects of its role and setting its agenda;

1.27.2 ensuring that the directors receive accurate, timely and clear information;

1.27.3 ensuring effective communication with shareholders;

1.27.4 facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors;

1.27.5 ensuring that there is a quorum present before a meeting proceeds;

1.27.6 keeping order;

1.27.7 ensuring the business of the meeting is dealt with (in essence ensuring that an agenda is kept to).

1.28 To ensure that this happens the roles of the chairman and chief executive should be separate roles.

1.29 Where a decision must be made as to whether or not a director is able to participate in a meeting or vote on a particular decision (for example if that director has a conflict of interests) the chair is generally called upon to make that decision. The chair can also be given a casting vote to manage situations in which a deadlock arises.

1.30 The role of chair is therefore an important one, and we advise the Council to give consideration to the appointment of a chair, and to whether or not that chair should be given a casting vote over decisions made. If the chair does not have a casting vote, then the number of directors should be odd, and the quorum for meetings should be an odd number, to minimise the opportunities for deadlock.

COMPANY SECRETARY

1.31 There is no longer any requirement for a private limited company to have a named company secretary, and the company secretarial duties can be undertaken by anybody – for example any director of the company. In our experience, most local authorities do appoint a company secretary and that person is, typically, a member of the in house legal services team or the authority's monitoring officer. This allows a secondary check on the activities of the company.

1.32 Provision of company secretarial services can be dealt with through the support arrangements between the Council and the companies. The Council could choose to appoint one company secretary for the *Teckal* and trading companies to assist in unifying the governance structure.

RECOMMENDATIONS

1.33 In the circumstances, we recommend that:

- 1.33.1 either Cabinet, or relevant Members with delegated authority, exercises the shareholder function, with appropriate support from officers;
- 1.33.2 the Boards of the *Teckal* and trading companies are made up of a mixture of officer directors and, if it is felt that there is a need to look externally for specific experience or expertise, independent non-executive directors. At least to begin with, the Boards of the *Teckal* and trading companies can be identical;
- 1.33.3 if the Council decides that it will appoint any Members as directors of either the *Teckal* or trading companies or both, there should be sufficient other directors appointed to mean that, even if a Member director has a conflict of interest, a quorum is still possible for meetings and decisions can still be taken. Equally, if any Members are appointed then the Council will need to be confident that it can continue to take decisions effectively itself;
- 1.33.4 the companies together appoint a group company secretary.

THE CHARITY

- 1.34 There are two options for a charitable company limited by guarantee, in terms of its membership and board:
- 1.34.1 the charity's company members and its board of directors are the same people;
or
 - 1.34.2 the charity's company members include the directors, but also other individual or corporate trustees.
- 1.35 Local authorities are sometimes corporate trustees for charities which hold or manage public facilities, including leisure centres, parks, libraries and town halls, for example. In a company context, the local authority as corporate trustee is a member of the company, as well as the individuals that are directors.
- 1.36 If the Council chose to be a member of the charitable company (and therefore a trustee) then it would need to bear in mind the distinction between the Council and the Council as charity trustee and manage any conflicts of interest, as well as ensuring that in its capacity as trustee it acted in the best interests of the charity. The Council could choose instead to nominate trustees – officers or Members that would be members of the company and on the board of directors.
- 1.37 The significance of the charity's need to apply its objects is a need for greater independence than will be given to the *Teckal* and trading companies. This may indicate it has a different Board (entirely or partially) to the other two companies. There can, however, be some overlap, and this does not mean that the Council cannot nominate or appoint directors. Indeed, in many Leisure Trusts, the local authority appoints a portion of the Board.

NEW DELIVERY MODEL for T.L.C &.Y. SERVICES
FINAL BUSINESS CASE
TRADE UNION COMMENTS TO JOINT SELECT COMMITTEE JULY 24th 2017

Outsourcing from the Public Sector, of any sort, has always been resisted by the Trade Union Movement.

Concerns have centred around set up and transactional costs, subsequent reduction in jobs and services, general employment insecurity and deterioration in pay and terms. The establishment of such 'arm's length' arrangements often help facilitate the 'outsourcing' of the impacts of Austerity

However, if an Alternative Delivery Model (ADM) is to be established, the Council should promote stability and a smooth transition by ensuring that:

- The Annual Management Fee (5.5 pg. 67) is inflation proofed and assured for a significant period, without taper. Experience from elsewhere suggests that significant income generation can be difficult to achieve in a timely fashion, and of course impossible in 'non-commercial' areas such as Countryside and the Youth Service.
- The Asset base (4.5.2.pg 53) is retained, maintained and invested in.
- A 'Teckal' Company is established to avoid subsequent Competitive Tendering for services (4.3.2.5 pg. 48)
- A long term Support Services Agreement (4.5.2 pg. 52) is entered into to achieve stability for Council Central Services
- A Staffing Agreement is drawn up with the ADM to protect the interests of employees.

STAFFING MATTERS

TUPE and the pension arrangements for transferring staff would have to apply (4.6 pgs. 55 - 57)

In addition, the Trade Unions seek a Staffing Agreement, which would cover:

- Admission to the Local Government Pension Scheme to be on an open basis, allowing new employees to join. The Council should consider assisting the ADM by meeting 'historic' pension liabilities
- Trade Union Recognition for all staff with supporting procedural agreements
- Commitment to National and Local Agreements on an enduring, dynamic basis
- Embedding of the Living Wage without supplement
- Application to be added to the Redundancy Modification Order
- A Disputes Resolution procedure
- All the above to apply to any sub contract or subsidiary
- The Code of Practice on Workforce Matters in Public Sector Service Contracts (the so called 2 Tier Code), would have to apply in any event.

UNISON/GMB

The Future for Leisure, Tourism, Culture & Youth

A Business Case for an Alternative Delivery Model

The reality

- ▶ Conclusion of a lengthy & wide-ranging strategic appraisal of options for future of TLCY
- ▶ Function before form
- ▶ Purpose is to secure a viable, sustainable and supportable future for TLCY services in order to optimise the contribution they make to developing the wellbeing of Monmouthshire residents throughout their lives
- ▶ Context is significant societal/ wellbeing challenges and demand pressures faced
- ▶ Our funding is declining rapidly and as the lowest funded council in Wales, the gap between us and the rest of the pack is a yawning one. This is unlikely to change and is the new norm
- ▶ Council and PSB signed up to wellbeing objectives, which puts TLCY services centre-stage as catalysts and contributors to wellbeing. However, TLCY services are, in the main, discretionary not statutory
- ▶ This shouldn't make a difference, but it does. TLCY services can't be realistically 'prioritised' or protected. This is because there are genuinely wider and more readily available and accessible options through which to feasibly deliver them, than there are for Education & Social Care.

What does Tourism, Leisure, Culture and Youth do?

- ▶ Custodians of 850 km² of countryside
- ▶ Thousands of 'Rights of Way' and public footpaths
- ▶ Gwent-wide Outdoor Education Service with three sites; Gilwern, Talybont & Hilston Park
- ▶ Overseers of Coastline, Castles, World Heritage Site, BBNP, AONB & SSSI
- ▶ Runs and manages 4 Leisure Centres, 4 Museums, 3 major attractions, smaller community based picnic and historic sites
- ▶ Youth Service - multiple programmes, support and services to communities & schools
- ▶ Exercise Referral Scheme
- ▶ Tourist Information Centres and tourism economy/impact which is on a positive trajectory
- ▶ Sport's Development: Playmakers, Young Ambassadors & Monmouthshire Games
- ▶ Play, recreation and green spaces

Why is this important?

- ▶ Burgeoning costs of poor physical/mental health needs focus on keeping people well
- ▶ Public Health Imperative
- ▶ Exercising, playing sport or partaking in cultural activity is when 44% of people are at happiest
- ▶ Leisure is the 'new productivity'. Knowledge economy relies on power of ideas. We are best wired for ideas and inspiration in moments of leisure.
- ▶ Connecting people with heritage and place (as we have seen some of our museum projects), helps overcome isolation and loneliness.
- ▶ The culture and creative industry is a growing segment of our economy. We are competing in a global tourism economy STEAM figures are rising on back of sporting/ major & cultural events. Productivity & prosperity
- ▶ Opportunity to address broader social policy issues such as community development, social justice, health & educational attainment. E.g., Sports Ambassadors, Playmakers. People feel a 'pull' to our county because it offers unrivalled access to inspiring environments
- ▶ These services help to lower reliance on costly statutory Council services
- ▶ The Wellbeing assessment work and objectives are explicit about the importance of our environment, leisure and wellbeing

What's the current position?

- ▶ In 2010, budget for service area was £6.5m. Today it stands at just over £4.4m - 3% of council's total budget
- ▶ Outperformed all expectations of income & consistently major contributor to MTFP
- ▶ Our drive for effectiveness and efficiency is long established
- ▶ Over years, had to make concessions to keep things going like free swimming for 60+, new pool and facilities in Monmouth, adequate play spaces, volunteer led leadership of sport & Rights of Way and converting play schemes to Monmouthshire Games
- ▶ Cuts to staffing are biting. Income levels are stagnant. External grants withdrawn or are reducing. Condition of facilities is poor. Investment has been prioritised in other areas. Partners withdrawing from joint arrangements (OEC, TIC). Services increasingly unviable. Capacity is low. Little scope to renew from where we are
- ▶ Costs delivering services over next 5 years would be consistently higher than MTFP allocation
- ▶ If things stay the same, managing decline is only option.

How could services live within the MTFP Model

No investment in the services - significant savings would need to be made - 655k by year 5 (2022).

Short Term considerations could be

- ▶ All sites review opening hours
- ▶ Non essential activity would not be undertaken (e.g. attendance at meetings, velethon, agricultural shows)
- ▶ Reduced opening hours at museums sites and attractions (no winter opening)
- ▶ Closure of Leisure sites on Sunday afternoons and reduced opening hours during the week
- ▶ No ability to recruit much needed specialist positions

Medium Term Considerations could be

- ▶ Closure of Caldicot Castle as a venue with park remaining open
- ▶ Rationalisation of Museum sites with closure of two venues
- ▶ Closure of Tintern Old Station and Chepstow TIC
- ▶ Rationalisation of Leisure Centres with closure of one site
- ▶ Closure of one Outdoor Education venue

So, what options have been considered?

- ▶ Started off in 2013 by looking at options for future of Museum's Service
- ▶ In 2014, scope of this work was widened to include all TLCY services
- ▶ In October 2016, Cabinet approved the SOC which set out initial appraisal of options for change:
 - ▶ Transform in-house
 - ▶ Transfer services to an ADM
 - ▶ Outsource
 - ▶ Join an existing LA-led 'trust'
 - ▶ Do nothing
- ▶ In March 2017 Council agreed to progress the transform in house option (option 2) and the Alternative Delivery Model (option 3) and prepare the FBC to demonstrate a full comparative analysis between the two options for consideration.
- ▶ July 2017 the Joint Select Committee considered the draft FBC for scrutiny.
- ▶ In-house team led, but informed closely and tested by independent consultants and legal experts

Options Appraisal. Transform in-house v transfer to newly established ADM

- ▶ Over a 5 year period, cost to council £22.945m, £1.857m above the potential MTFP allocation. This means service reductions; service decline & price hikes
- ▶ Limited opportunities for commercial and enhanced services due to funding constraints, declining performance & asset condition & staffing cuts
- ▶ Limited commercial expertise & commercialism
- ▶ Council is limited in the sources of funds that it can access and trading it can carry out. This reduces the range of potential service delivery options
- ▶ Relies upon TLCY services 'jumping queue' for financial support, marketing & branding expertise, repairs and maintenance & be major recipient of service innovation around automation, payment options and procurement/ IT
- ▶ Staff morale affected by inability to progress, improve and enhance delivery
- ▶ ADM option would cost £21.44m. Still slightly outside MTFP allocation but income projections are intentionally conservative for a 'start-up'. Option for profit share
- ▶ The ability to optimise; set and establish own culture, tone and drive a social-commercial ethos
- ▶ Systems, processes policies and practices would all be bespoke and geared up to making things happen. The ADM, its mission, people and customers are the priority without fear of squeezing other services out
- ▶ Freedoms and flexibilities to run services on behalf of council through 'teckal', whilst benefiting from charitable status & trading
- ▶ Staff morale has best chance of being maintained at 'high' - recruit and retain the best talent
- ▶ Board taps into social capital, influence and networks of key individuals and entrepreneurs
- ▶ Arms-length from council - but works for county - with key lines of accountability to council but without bureaucracy and protractedness
- ▶ Diverts people from costly council services

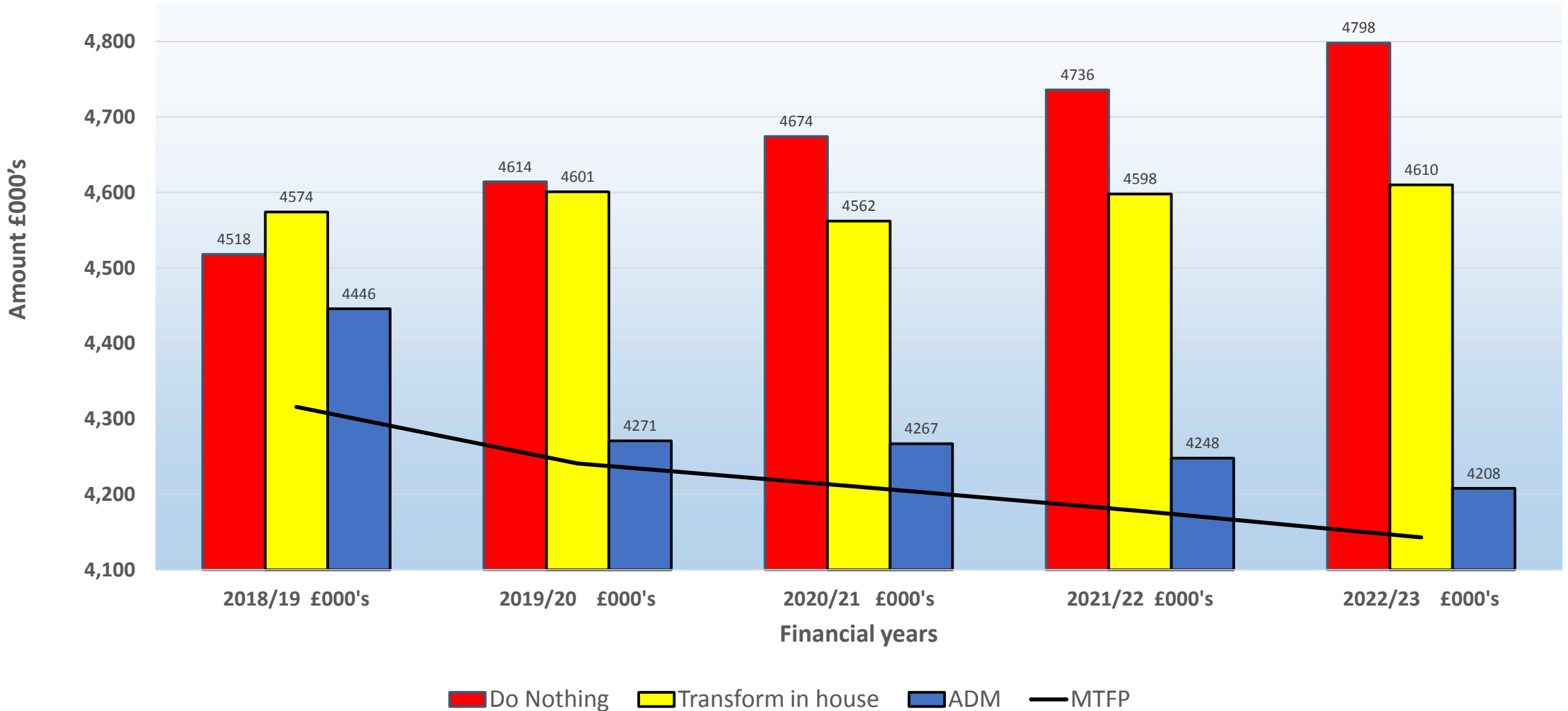
Other considerations (1)

- ▶ FBC based on five stage business case model. ADM optimises value for money, affordability & deliverability. The FBC explains the background to the proposal and sets out the Strategic, Financial, Economic, Commercial and Management
- ▶ Terms like ‘commercial’ and ‘optimally efficient operating model’ may sound radical. But Council itself will need to adapt to the same as things cannot stand still.
- ▶ TLCY however cannot wait. It is at a cross-roads. It cannot provide more savings in current form. If it stays in-house, transforming would require priority investment over other priority services! It is ready now.
- ▶ MCC will have to consider taking radical action to balance the books, making choices over what services to provide and what is commissioned externally/ delivered internally. ADMs may have to feature more. The ADM is a case study in the making and an opportunity to test mettle before the harder choices to come.
- ▶ The problem we have to solve is how to move services from sub-optimal to optimal. Best chance of optimisation is move to ADM.
- ▶ ADM is the **harder** option. It would be easy to continue life in the council - managing reduced services, reduced performance and reduced expectations.

Other considerations (2)

- ▶ Setting aside the mechanics of the process it is important to focus on what's not in the business case:
 - ▶ Difficulties developing commercialism due to barriers, complexities and conditions which are not always conducive to this. A commercial enterprise needs freedom to deliver, take calculated risks, be responsive and deliver for communities
 - ▶ The financial challenge for MCC means that it cannot deliver all services as now and will have to reduce its cost base or generate significant amounts of income to cover savings targets and inflation. Have to tackle cost base and engage the market on commercial terms. Change inevitable?
- ▶ The ADM will explore exciting initiatives across social care, health and leisure - bringing networks, opportunities and investment potential to MCC and assets. Rising social care costs & social prescribing.

Options for Tourism, Leisure, Culture and Youth Services



Five Year Options Comparison of Costs

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OPTIONS	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total £000's
MTFP	4,316	4,241	4,210	4,178	4,143	21,088
Do Nothing	4,518	4,614	4,674	4,736	4,798	23,340
Transform in house	4,574	4,601	4,562	4,598	4,610	22,945
ADM	4,446	4,271	4,267	4,248	4,208	21,440

Transform In House

- ← Inflation rising over the five years to 373k by year 5
- ← Income rises quickly to 252k by year 3, with limited increases in year 4 and 5
- ← Extra set up costs reduce after year 1 as key posts are offset by income
- ← Net cost rises in year 4 and 5 because inflation outstrips new income proposals
- ← Level of funding required from MCC increases over the 5 years

	2018/19 £000s	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total £000's
Base 18/19	4,224	4,224	4,224	4,224	4,224	21,120
Pressures	202	202	202	202	202	1,010
Inflation	92	188	248	311	373	1,212
New Income	-63	-152	-252	-279	-329	-1,075
Extra Costs	106	63	63	63	63	358
Capital financing	13	76	77	77	77	320
Total	4,574	4,601	4,562	4,598	4,610	22,945

- ← Increase in year 1 to build in all of existing budget pressures
- ← Significant new income streams rising to 740k by year 5
- ← Future 5 year Inflation of 1.178m fully met by new income streams
- ← Allows ADM to build up a contingency reserve of 455k by year 5
- ← Continuing reduction in grant from MCC which saves £1.505m over a 5 year period when compared to the transform in house option
- ← Income projections are prudent and realistic. They do not include income from grants. The ADM could exceed its income targets and obtain extra grant funding.

Alternative Delivery Model

	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	TOTAL £000's
Base 18/19	4,224	4,224	4,224	4,224	4,224	21,120
Pressures	202	202	202	202	202	1,010
NDR Relief	-239	-239	-239	-239	-239	-1,195
VAT Issues	55	54	54	54	54	271
Inflation	90	183	241	302	362	1,178
New Income	-187	-413	-498	-605	-740	-2,443
Extra Costs	178	114	115	117	117	641
Capital financing	73	81	83	83	83	403
Reserves	50	65	85	110	145	455
Total	4,446	4,271	4,267	4,248	4,208	21,440

One Off Costs

The Council will incur costs associated with each of the options. Existing sunk costs that have already been incurred by the Council have been excluded.

One Off Costs	Transform in House	Alternative Delivery Model
	Amount £000's	Amount £000's
Financial Support and Legal Advisors	30	75
Marketing, Media, Website, Branding	15	30
Recruitment / Hr Advice	0	30
Corporate Governance Costs	0	20
Total	45	155

Residual Impact To the Authority

The provision of support services to the ADM is an important consideration. These services provided by the Council will encapsulate the following: - Human Resources, Finance, Information Technology, Legal Services, Insurance, Internal audit, Procurement, Communications, Grounds Maintenance, Property Services and Business Support. Currently TLCY incur central support costs estimated at £0.970m.

The ADM is expected to continue to use the vast majority of back office and central support services but 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 a further £71k at the end of year 3 and £109k by year 5. However this is negated by the additional financial benefits of the ADM when compared to the transform in house option

Other Financial Considerations and Risks

▶ VAT

- ▶ ECJ VAT ruling, recently accepted by HMRC, relating to VAT exemption on leisure services
- ▶ Move from standard rated to VAT exempt would bring windfall gain to in-house ADM model as no longer having to deduct VAT from affected leisure income streams
- ▶ However, work undertaken by Authority's VAT consultants highlights that the Authority would breach its partial exemption limits (affected by capital expenditure on assets that are generating exempt income) resulting in significant additional VAT liabilities.
- ▶ As a small authority the gearing effect of these changes on partial exemption are more significant. Unless dispensations, which have only historically been one-off, are offered by HMRC mitigation would be to delay capital expenditure on leisure assets which would place a restriction on future investment plans under an in-house transform model.
- ▶ Hoped that flexibility will be afforded to LAs to give flexibility to plan for changes. Specific guidance from HMRC has yet to be issued

Other Financial Considerations and Risks

▶ Fixed Assets

- ▶ Land and buildings through which TLCY services are delivered would be retained by the Authority.
- ▶ Buildings to be leased by the ADM ownership will be retained by MCC
- ▶ Major repair and maintenance obligation proposed to remain with the Authority as landlord
- ▶ Beyond any profit share arrangement agreed under an ADM model future profits generated would be reinvested in the services/assets

Evaluating success

- ▶ What was achieved? How well was it achieved? What's the difference?
- ▶ Business Plan key tool for Council to hold ADM to account for its performance
- ▶ Contribution to wellbeing objectives
- ▶ Safeguarding
- ▶ Scrutiny. Client-role. 12 monthly reporting to full Council.
- ▶ Management agreement/ SLA:
 - ▶ Compliance with MCC's safeguarding policies
 - ▶ Asset interface
 - ▶ Business leadership capability
 - ▶ Relationships - alignment between client and contractor
 - ▶ Provider market status
 - ▶ Transformation capability
 - ▶ Delivery management capability
- ▶ Council influence & governance - TECKAL & wider Board representation.



- ▶ November 2015 Community Consultation on Budget Mandate's – Mandate 1
- ▶ December 2015 Initial consultation with Leisure, Youth and OE services
- ▶ January 2016 Wider consultation with T&C services
- ▶ January 2016-present Regular bi-monthly meetings with Trade Unions/HR
- ▶ March 2016 Formation of Change Ambassadors team

- ▶ August 2016 'What Matters' exercise with our service users
<https://www.youtube.com/watch?v=XsyohXe7muc&feature=youtu.be>

- ▶ Sep 2016 - Feb 2017 Community and Town councils consulted
- ▶ October 2016 The Big Conversation with our younger community members
- ▶ November 2016 TLCY staff seminar
- ▶ March 2017 Staff workshops on Vision and Values



July – October 2017: **68%** of staff attended workshops to compose their expectations on the culture of the ADM.

132 'Promises' were pledged by staff to enable and support organisational growth and personal development within the ADM:

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Enthusiastic - To ~~put~~ bring energy and clarity in my work to help others to stay enthusiastic and energised too.

Help develop services to meet/exceed customer services & promote them to target audiences

Consistent service - to exceed customer expectation time and again To create memories by giving excellent service.

Team Work - to Make Sure we all work for each other for the better good.

defining and contributing to clarity of purpose for the ADM.

Passionate - I Care about the impact our programmes and service has. trying to ensure this is installed across the new model is essential.

The possible

‘If I asked people what they wanted, they would have said faster horses’ - Henry Ford