

<b>SUBJECT:</b>	<b>ADDITIONAL FINANCIAL IMPLICATIONS ARISING FROM A DECISION TO ESTABLISH AN ALTERNATIVE DELIVERY MODEL</b>
<b>MEETING:</b>	<b>COUNCIL</b>
<b>DATE:</b>	<b>15<sup>th</sup> February 2018</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>All</b>

**1. PURPOSE:**

To set out the implications to the Medium Term Financial Plan (MTFP) arising from the move to an Alternative Delivery Model for Tourism, Leisure, Culture and Youth services.

**2. RECOMMENDATIONS:**

- 2.1 To agree that £155,000 be drawn from the priority investment reserve to fund 'start-up activity for the Alternative Delivery Model.
- 2.2 To recognise the need to make provision within the MTFP as part of the budget setting process for the next 5 year period of £388,000, arising from the decision to move Tourism, Leisure, Culture and Youth services into a newly established Alternative Delivery Model.

**3. KEY ISSUES:**

- 3.1 On 29 January 2018, the Council's Cabinet Committee approved the establishment of an Alternative Delivery Model as the best means of enabling a sustainable and resilient future for Tourism, Leisure, Culture and Youth services.
- 3.2 The attached report sets out the terms of the Cabinet approval. Recommendation 2.3 of the Cabinet report sets out a need to provide £155,000 from the Priority Investment Reserve to fund start-up costs of the new model. Drawings of the aforementioned reserve require Council approval. Recommendation 2.4 recognises that to enact the Cabinet decision, a sum of £388,000 will have to be added as a pressure to the current medium term financial plan. Again, this addition requires the approval of Council. Whilst this approval can be secured as part of the budget setting report scheduled for 1 March 2018, to ensure full disclosure it is reported here so it is not lost as part of a wider debate.
- 3.3 The Cabinet report provides the context of the two main options progressed to Full Business Case – 'Transform in House' and 'Establish an ADM'. The latter option now stands as the agreed business model for the delivery of Tourism, Leisure, Culture and Youth services in the future. Work is underway to now develop the first 5-year Management Agreement – included in which will be a comprehensive Evaluation Matrix and Evaluation Framework – which will be considered by Full Council prior to enactment of the ADM. The Management Agreement is a fundamental contractual document and

will govern the interaction between the Council and the ADM and oversee the key obligations, responsibilities and accountabilities.

#### **4. REASONS:**

- 4.1 Approval of the option to establish an ADM through which to secure a sustainable future for Tourism, Leisure, Culture and Youth, presents as the most financially viable and supportable case. However, the initial start-up costs and the costs of the new entity over a five year period, sit outside of the provisions made for the service area within the MTFP.
- 4.2 This report therefore seeks approval of the need to make a call on the Priority Investment Reserve and an adjustment to the MTFP.

#### **5. RESOURCE IMPLICATIONS:**

- 5.1 As set out in paragraph 3.2 above.

#### **6. SAFEGUARDING IMPLICATIONS**

- 6.1 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. concerns that are raised or identified on site

#### **7. CONSULTEES**

Refer to Cabinet Report 29 January Section 8.

#### **8. BACKGROUND PAPERS**

Cabinet Report 29 January 2018.

#### **9. FUTURE GENERATIONS IMPLICATIONS**

The completed Future Generations Evaluation can be found in Appendix C to the Cabinet Report of 29 January 2018.

#### **10. AUTHORS:**

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## Appendix C

## Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

<b>Title of Report:</b>	<b>Future of TLCY</b>
<b>Date decision was made:</b>	<b>29<sup>th</sup> January 2018</b>
<b>Report Author:</b>	<b>Kellie Beirne</b>

### 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 1<sup>st</sup> 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 1<sup>st</sup> 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