

SUBJECT:	Y PRENTIS UPDATE AND CMC² UPDATE
MEETING:	CABINET
DATE:	7TH DECEMBER 2016
DIVISION/WARDS AFFECTED:	ALL

NON-PUBLICATION: (Insert appropriate non publication paragraph if necessary)

1. PURPOSE:

- 1.1 To provide an update on Y Prentis activities and the benefits it has brought to the wider South East Wales region. To approve the dissolution of CMC².

2. RECOMMENDATIONS:

- 2.1 It is recommended that Cabinet:

- Receives a full update on the activities of Y Prentis;
- Approves the dissolution of CMC²;
- Agrees to novate outstanding debt to the Council for recovery purposes;
- As a consequence of the above movements, agrees to formally pass ownership of Y Prentis from CMC² to Monmouthshire County Council.

3. KEY ISSUES:

BACKGROUND

- 3.1 [Y Prentis](#) was established by CMC² and Melin Homes as a 'not for profit' company, limited by guarantee, in September 2012. Y Prentis delivers a Shared Apprenticeship Scheme across South East Wales in partnership with the Construction Industry Training Board (CITB). Its vision is to 'provide long term sustainable employment opportunities to help young people maximise their potential and gain fruitful future employment'.
- 3.2 Y-Prentis has been a success story for CMC². It is profitable, supported by a levy from the construction sector, and has enabled more than 160 young people into sustainable living wage apprenticeships. Moreover, the potential now exists for the continued development and expansion of the company, in the light of City Deal and major infrastructure developments and opportunities such as the Critical Care Centre in Torfaen. Aside from Y Prentis, CMC² has created benefits for Monmouthshire communities with broadband exploitation, MonmouthpediA, digital inclusion and tourism. In terms of its contribution to the Council, the work undertaken by CMC² on the development of the replacement social care system (FLO/PLANT), has resulted in annual recurrent savings to the Council in the order of c£100k.
- 3.3 With the conclusion of the software development work and other than the continued operation of Y Prentis, CMC² has ceased trading and has been engaged in completing live projects since July 2015, when Cabinet approved reserve funding for its accumulated losses. However, it was not dissolved at this time as it formed part of an options appraisal to consider a suitable delivery structure for the Alternative Delivery Model (ADM) being considered for Tourism, Leisure and Culture Services. This analysis has now concluded that CMC² is not the correct vehicle for the ADM so it is now proposed that the company is formally dissolved.
- 3.4 In doing so, it is proposed that one outstanding account of £90,000 relating to software development services for Skutrade is novated to the Council. The Council had separately engaged with Skutrade to determine whether it could support the competitiveness of Monmouthshire businesses, as detailed in the [July](#) 2015 cabinet report. The recovery of the

Skutrade account is considered to be a separate matter to this and we are working with the company to settle the account.

- 3.5** As CMC² is the registered co-owner of Y Prentis with Melin Homes, it is proposed that following dissolution, ownership of the company transfers to the Council who become co-owner of this not for profit, company limited by guarantee, successful in its own right. Accumulated surpluses of £240,000 (expected to reach £260,000 by March 31 2017), are now held by the company. The significant additional future growth potential with major infrastructure investment schemes in the region now coming to pass, must also be considered given the remit of Y Prentis to work on a regional scale.

4. REASONS - DEVELOPING AND CONSOLIDATING

- 4.1** Since its establishment, Y Prentis has employed 162 apprentices, 100 of which have since found full time permanent employment. We have managed to successfully appoint apprentices to our Future Schools building programme and implement programmes of related community benefits using social clauses and Targeted Recruitment and Training. As well as doing social and community good – YPrentis is in a position where it has now accrued accumulated surpluses.
- 4.2** As Y Prentis is the only CITB approved deliverer of ‘Shared Apprenticeships’ in South East Wales, it has special status which improves its opportunities for long term sustainability. Unlike project based funding schemes, Y Prentis is not time limited and is sustainable. Core funding comes from a wide range of sources including private sector income for wages and membership fees and CITB grants which are funded via a levy paid by the construction industry. Given the emerging City Deal; the increasing emphasis on skills development; the impending Metro and wider infrastructure development – Y Prentis is well placed for continued future success.
- 4.3** Two of the four Y Prentis Directors are Council employees, namely Cath Fallon Head of Economy and Innovation and Rob O’Dwyer, Head of Property Services so a transfer of ownership from CMC² to the Council will not present any disruption to the company in the interim until a governance review is carried out. It will however present an opportunity for the Council to play a direct role in the future success of Y Prentis, driving forward skills development in the region and having an involvement in decisions about reinvestment of surpluses in line with Y Prentis’s articles of association.
- 4.4** As Y Prentis flourishes and develops, it becomes necessary to consolidate and dissolve its parent CMC². Whilst accumulated losses of £140k have been reported and funded by the Council, these must be seen alongside the surpluses generated and held within Y Prentis and the annual recurrent savings of c£100,000 generated through the development and operation of FLO/ PLANT. In addition, the Council owns the Intellectual Property of the system – the value of which is currently subject to expert commercial valuations advice.
- 4.5** During its lifetime CMC² has undergone a rigorous level of scrutiny and has been transparent in its dealings with regular reports having been presented to Select, Cabinet and the CIC regulator. Governance has also been demonstrable with Directors appointments and a public recruitment process for Non-Executive Directors. An independent Observer was also appointed to the Board by full Council in 2012.

5. RESOURCE IMPLICATIONS:

Following dissolution of the company the Council will look to recover outstanding debt novated.

6. CONSULTEES

Economy and Development Select Committee
Senior Leadership Team
Cabinet

7. BACKGROUND PAPERS

Appendix A – Future Generations Evaluation

8. FUTURE GENERATIONS IMPLICATIONS

The completed Future Generations Evaluation can be found in Appendix A. In summary, the purpose of Y Prentis is to provide much needed employment opportunities for young people, providing employment growth and an increasingly skilled workforce for the South East Wales region. As the company grows so will investment and growth opportunities, potentially for a wider range of sectors for example care or digital.

9. AUTHOR: Cath Fallon – Head of Economy and Innovation

10. CONTACT DETAILS:

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Appendix A



Future Generations Evaluation (includes Equalities and Sustainability Impact)

<p>Name of the Officer Cath Fallon</p> <p>Phone no: 07557 190969 E-mail: cathfallon@monmouthshire.gov.uk</p> <p>Name of Service: Enterprise</p>	<p>To: Y PRENTIS UPDATE AND CMC² UPDATE</p> <p>Date Future Generations Evaluation 9th November 2016</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?



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>Y Prentis provides much needed employment, growth and skills opportunities for our young people.</p>	<ul style="list-style-type: none"> • Provision of a region wide service for both apprentices and employers alike. • Shared apprenticeship nature of the scheme enables opportunities for both small and large employers to take on apprentices without having to employ them directly.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	n/a	n/a
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	n/a	n/a
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	There is potential to grow Y Prentis to enable it to offer apprenticeships in other sectors. This will provide further opportunities for young people to become more connected by working with local businesses in local communities.	To ensure Y Prentis focuses on encouraging community cohesion as one of its social drivers. FLO provides an opportunity for the Authority to be more connected with our community's needs.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Y Prentis has a delegated responsibility to ensure high standards are met and maintained that do not conflict with the global drivers.	Any decisions taken by the ADM will take into account global and well-being issues as part of its day to day processes.
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	Y Prentis offers opportunities for young people to be involved on heritage projects that will protect welsh culture for future generations.	Decisions taken by Y Prentis will continue to offer opportunities for young people to work on cultural projects.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Y Prentis provides services for young people from all backgrounds and cultures.	As Y Prentis becomes better established there will be opportunities to target areas of the community that may not currently be aware of the opportunities available.

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>Y Prentis produces a five year business plan and annual action plan to identify and target opportunities.</p>	<p>Regular Board meetings are held to ensure a concerted effort is being made to identify efficiencies and income generation opportunities as they arise.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>Y Prentis offers a key service for a wide range of public and private sector partners.</p>	<p>The Advisory Panel which consists of key stakeholders and representatives from construction companies, ensures that the apprenticeships being offered are fit for purpose.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>A Stakeholder group of apprentices has been established to ensure that apprentices also have a say in how their apprenticeships are developed and delivered.</p>	<p>Both the apprentice stakeholder group and the Advisory Panel are regularly reviewed and evaluated to ensure the views of all those who have an interest are taken into account.</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>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The Business Plan and action plans opportunities for growth and investment.</p>	<p>Where growth and investment opportunities are identified resources are put in place to take them forward.</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>Y Prentis considers the wellbeing of the apprentices to be of upmost importance. A hardship fund has recently been established to assist those apprentices with day to day cash flow issues to ensure they are fit and well.</p>	<p>Y Prentis will continue to assess the well-being of the apprentices and introduce further measures if needed.</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>Consider the impact on our community in relation to this e.g. how do we engage with older and younger people about our services, access issues etc. Also consider what issues there are for employment and training.</p>	n/a	n/a

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Disability	What issues are there are around each of the disability needs groups e.g. access to buildings/services, how we provide services and the way we do this, producing information in alternative formats, employment issues.	n/a	n/a
Gender reassignment	Consider the provision of inclusive services for Transgender people and groups. Also consider what issues there are for employment and training.	n/a	n/a
Marriage or civil partnership	Same-sex couples who register as civil partners have the same rights as married couples in employment and must be provided with the same benefits available to married couples, such as survivor pensions, flexible working, maternity/paternity pay and healthcare insurance	n/a	n/a
Pregnancy or maternity	<i>In employment a woman is protected from discrimination during the period of her pregnancy and during any period of compulsory or additional maternity leave. In the provision of services, good and facilities, recreational or training facilities, a woman is protected from discrimination during the period of her pregnancy and the period of 26 weeks beginning with the day on which she gives birth</i>	n/a	n/a

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Race	<i>Think about what the proposal will do to promote race equality with the aim of: eliminating unlawful discrimination, promoting equality of opportunity and promoting good relations between persons of different racial groups. Also think about the potential to affect racial groups differently. Issues to look at include providing translation/interpreting services, cultural issues and customs, access to services, issues relating to Asylum Seeker, Refugee, Gypsy & Traveller, migrant communities and recording of racist incidents etc.</i>	n/a	n/a
Religion or Belief	<i>What the likely impact is e.g. dietary issues, religious holidays or days associated with religious observance, cultural issues and customs. Also consider what issues there are for employment and training.</i>	n/a	n/a
Sex	<i>Consider what issues there are for men and women e.g. equal pay, responsibilities for dependents, issues for carers, access to training, employment issues. Will this impact disproportionately on one group more than another</i>	n/a	n/a
Sexual Orientation	<i>Consider the provision of inclusive services for e.g. older and younger people from the Lesbian, Gay and Bi-sexual communities. Also consider what issues there are for employment and training.</i>	n/a	n/a

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Welsh Language	<i>Under the Welsh Language measure of 2011, we need to be considering Welsh Language in signage, documentation, posters, language skills etc.and also the requirement to promote the language.</i>	n/a	n/a

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

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	<i>Safeguarding is about ensuring that everything is in place to promote the well-being of children and vulnerable adults, preventing them from being harmed and protecting those who are at risk of abuse and neglect.</i>	n/a	n/a
Corporate Parenting	<i>This relates to those children who are 'looked after' by the local authority either through a voluntary arrangement with their parents or through a court order. The council has a corporate duty to consider looked after children especially and promote their welfare (in a way, as though those children were their own).</i>	n/a	n/a

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

Since being established regular progress reports have been presented to Economy and Development Select and Cabinet for both Y Prentis and CMC².

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 Y Prentis is to provide much needed employment opportunities for young people, providing employment growth and an increasingly skilled workforce for the South East Wales region. As the company grows so will investment and growth opportunities, potentially for a wider range of sectors for example care or digital.

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
Presentation of a report to Cabinet	December 2017	Cath Fallon	

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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:	On going
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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>Dissolution of CMC² and ownership of Y Prentis moving to MCC.</i>	<i>December 2017</i>	<i>This will demonstrate how we have considered and built in sustainable development throughout the evolution of a proposal.</i>