

<b>SUBJECT:</b>	<b>FUTURE MONMOUTHSHIRE: PROPOSED NEW DELIVERY MODEL FOR TOURISM, LEISURE, CULTURE AND YOUTH SERVICES</b>
<b>MEETING:</b>	<b>FULL COUNCIL</b>
<b>DATE:</b>	<b>20<sup>TH</sup> March 2017</b>

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

**1. PURPOSE:**

- 1.1 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.

**2. RECOMMENDATIONS:**

- 2.1 That Council reset the recommendations as agreed in October 2016 to delay the full business case to enable consideration of an Outline Business Case in March 2017.
- 2.2 That Council agree to progress options 2, transform in house and option 3, new delivery model for reasons identified in the Outline Business Case and not take forward option 1, stay the same and option 4, outsourcing.
- 2.3 That Council agree OBC is advanced to produce the final Full Business Case for consideration as soon as politically possible.

**3. KEY ISSUES: BACKGROUND**

- 3.1 In 2014, Cabinet approved an initial investment of £30,000 to commission Amion Consulting to undertake a comprehensive review of the future options for our Cultural services. The purpose of the review was to identify future delivery options with an overall objective of improving, sustaining and developing local services to enable them to become more self-reliant and resilient. During the review it became apparent that cultural services overlapped many of the wider tourism, leisure and culture services so rather than view cultural services independently, it made sense to view the inter-dependencies at a service wide and local level. In addition, analysis of experiences of other local authorities with new operating models, has demonstrated that critical mass in achieving economies of scale, cross subsidisation and mutual support are critical success factors as well as an opportunity to rationalise service delivery.
- 3.2 In October 2015 Cabinet approved the release of £60,000 from the Invest to Redesign fund to finance the supplementary work needed to mobilise TLCY services. In addition, in May 2016 Cabinet approved the 'Future Monmouthshire' a strategic programme of 'whole-authority' work 'to create the capacity and foresight to develop solutions to some of the county's biggest challenges, this proposal forms part of this strategic programme.

- 3.3** In October 2016 Cabinet approved the continuation of supplementary work from initial phase of a Strategic Outline Case to draft OBC for consideration early 2017.
- 3.4** This report gives full consideration to the independent findings of Anthony Collins Solicitors, appointed to undertake the supplementary work for this proposal, as detailed in the appended OBC.

#### **4. REASONS**

- 4.1** These services are the dominant providers of a whole range of community culture, sports and leisure facilities, from swimming pools, outdoor education, attractions, country parks and 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 & Wellbeing role and encouragement of physical activity are built around common objectives requiring a fresh approach to the delivery and funding. The opportunities for enhancing and expanding the role of these services and combining the offer and take 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.
- 4.2** The Council has recognised that access to local services is one of it's 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 necessity to balance the need for local delivered services for a more efficient delivery model.
- 4.3** 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 TLCY.
- 4.4** 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.
- 4.5** The main purpose of the OBC is to revisit the case for change and the preferred way forward identified in the Strategic Outline Case (SOC); establish the option which optimises value for money and assess its affordability and demonstrate that the preferred option is deliverable. The OBC explains the background to the proposal and sets out the Strategic, Financial, Economic, Commercial and Management case in support of the proposal, with the key focus on the financial viability of the proposal. The proposed legal structure and financial case has also been subject to independent professional assurance.

## 5. FINDINGS

- 5.1** As one of the Council's key priorities is to 'maintain locally accessible services' the options appraisal needed to assess which of the principle Delivery Options could create the potential for growth and sustainability for the services as well as an analysis of the legal and governance structures available and make recommendations on:
- Growth and investment opportunities;
  - Skills gaps;
  - HR including TUPE and future pension arrangements;
  - Procurement routes for awarding services;
  - Asset/leasehold transfer implications;
  - Stakeholder engagement to maximise staff, community and service user involvement.
- 5.2** The objectives of Anthony Collins have been to consider the right mix of Services and the best new Delivery Option to help the Council address the projected £542k funding shortfall over the next four year period. A full analysis of options (Paragraph 3.5 of the OBC has resulted in four recommended Principle Delivery Options namely:
- 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); and
  - Delivery Option Four: (a) Outsource the services to a private sector operator or (b) existing Charitable Trust
- 5.3** The Pros and Cons of each of the four delivery options were then measured in order to assess the strategic, economic, commercial, financial and management case for change. In addition a wider analysis was undertaken, informed via a Due Diligence process. Best practice research was also carried out to find other Councils who have implemented innovative Delivery Options.
- 5.4** In addition 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;
  - To establish a sense of 'ownership' amongst staff and service users with a view to improving morale, motivation, job satisfaction and ultimately the quality of service;
  - 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.

**5.5** Should the Council agree the Outline Business Case, the next steps are to move to preparing the Full Business Case. There is considerable work to be done to demonstrate a full comparative analysis between Options 2 and 3, and through working closely with SLT and Finance colleagues to ensure that all questions raised are fully responded to (appendices E and F).

**5.6** The full Business Case will provide more detail in the following areas: outcome of the procurement process, a final check on affordability and value for money; staffing considerations; the contract details; a comprehensive delivery plan and benefits realisation. 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.

**6. RESOURCE IMPLICATIONS:**

The will be no further resource implications until the Full Business Case is presented to Council in Autumn 2017. As part of the outline business case, an estimate of the likely resource requirement has been identified however this will be revisited during the preparation of the Full Business Case and the resource requirements will be recalculated as part of the Full Business Case.

**7. CONSULTEES**

Senior Leadership Team  
Finance  
Joint Select Committee  
Cabinet  
Anthony Collins Solicitors  
Town and Community Councils  
Trade Unions

**8. BACKGROUND PAPERS**

**Appendix A** – Outline Business Plan

**Appendix B** – Future Generations Evaluation

**Appendix C** – Alternative Delivery Vehicles for the Provision of Tourism, Leisure, Culture and Youth Services – Report by Anthony Collins

**Appendix D** - Welsh Government Alternative Delivery Models in public services delivery – An Action Plan

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

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 new 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 new Delivery Model will enable services to be kept open but with more community focus and coordination, helping knit communities together. Activities in establishing the new 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.

Safeguarding will be an integral part of any new proposed Delivery Model, and ensure that leadership and capacity impacts positively on all children, young people and their families and adults at risk. The proposed new Delivery Model across TLCY wide will ensure that there are effective and consistent safeguarding arrangements in place. The impact will be regularly updated and reviewed to ensure ongoing fitness for purpose.

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