|  |  |
| --- | --- |
| HIGH LIFE HIGHLAND REPORT TO BOARD OF DIRECTORS16 June 2016 | AGENDA ITEM REPORT No HLH /16 |

## **CHair/chIEF EXECUTIVE’S UPDATES - Report by Chief Executive**

|  |
| --- |
| **Summary**The purpose of this report is to provide Directors with information and the opportunity to discuss issues affecting HLH and its work at an early stage.It is recommended Directors note:-1. the updates reported to the ECAS Committee on 18 May 2016;
2. the Regional Sports facility project update; and
3. the development in tendering for sports and leisure facilities and to expect an update once the outcome of the process is known.
 |

|  |  |
| --- | --- |
| **1.** | **Business Plan Contribution** |
| 1.1 | This report supports the highlighted Business Outcomes from the High Life Highland (HLH) Business Plan:1. **To advance sustainable growth and financial sustainability**
2. **Deliver the Service Delivery Contract with THC**
3. **Improving staff satisfaction**
4. **Improving customer satisfaction**
5. **A positive company image**
6. **Services designed around customers and through market opportunities**
7. **Sustain a good health and safety performance**
8. **A trusted partner**
 |
| **2.** | **General Updates to ECAS Committee meeting 18 May 2016** |
| 2.1 | **Amalgamation with Inverness Leisure**– The amalgamation of HLH and Inverness Leisure (IL) took place as scheduled on 1 April 2016. The smooth transfer followed several months of intense and focussed work involving the support staff in both organisations as well as staff in the Council’s C&L, finance, legal and property services. The required efficiency savings are embedded in the budget for the year split approximately into a third from back office processes, a third from central posts from both organisations and a third being added to income and reduced expenditure targets. |
| 2.2 | **2016/17 Budget** – The Council has set the HLH budget savings target at 4.31%, the same percentage reduction applied by the Scottish Government to the Council. After taking account of salary increments and other pressures, this results in a £1.3M saving target for HLH. The HLH Board has put a plan in place to make the savings which, in common with Council Services, will be challenging to deliver and which will require close monitoring throughout the year to enable early corrective action if any of the savings do not fully materialise. The plan sets ambitious targets for increased income (earned income, donations and grants). |
| 2.3 | **Replacement Outdoor Centre *–*** The ECAS Committee has previously noted that HLH has been asked to work on the development of a new outdoor centre following the Council having received permission from the Big Lottery Fund (BLF) to retain £0.5M funding from its previous interests at Badaguish near Aviemore. HLH has since been working with partners on a potential joint project on land at Glenmore, near Aviemore, which is owned by the Forestry Commission and the Scottish Youth Hostel Association. The location would provide an ideal site for outdoor activities and education in an area which is renowned for its biodiversity, geography and suitability to host a wide range of outdoor pursuits. Working with the other partners (including the Cairngorms National Park) could be of significant benefit to the Council and HLH in terms of efficiency of capital and revenue expenditure because of the potential to share and have joint operating agreements with regard to:* accommodation;
* bookings and admin;
* outdoor activity provision;
* catering; and
* visitor and interpretive services.

A feasibility study has been commissioned by HLH on behalf of the Council and the other partners to explore how the site could best be developed. The results of the feasibility will be known in June 2016 and should the development prove feasible, the next stage would be to carry out more detailed design and costing work. This would allow the project to be considered for funding as part of the Council’s capital programme and of those of the partners, including possible external funding applications.  |
| 2.4 | **Scottish Parliament Local Government & Regeneration Committee** – The Director of Care and Learning and the HLH Chief Executive gave oral evidence to this Committee on 18 November 2015. Four ALO and host Council representatives were invited; HLH/THC; EDI [Edinburgh property development ALO]/Edinburgh City; North Lanarkshire Culture/NL Council and Bon Accord Care/Aberdeen Council. The main conclusions of the Committee were as follows and the full report can be seen at:- http://www.parliament.scot/S4\_LocalGovernmentandRegenerationCommittee/Reports/LGRS042016R07.pdfa summary of which is :- “*We highlight three emerging areas in relation to ALEOs which we believe should be subject to specific focus. These developing themes should be revisited within the next session of the Parliament to review whether potential challenges have materialised into substantive issues for local authorities, ALEOs, and the public:** *multiple ALEOs functioning in the same area delivering similar services*
* *duplication of services*
* *potential to cause confusion to the public*
* *merging of ALEOs to create greater efficiencies and savings resulting in the creation of a super ALEO*
* *less flexibility for local authorities*
* *greater risk to local authorities if non-performance identified*
* *provision of services to vulnerable people by ALEOs, for example, delivery of social care*
* *whether outcomes are being achieved*
* *level of public involvement in service delivery*
* *potential risks if non-performance identified”*
 |
| 2.5 | **Joint Working and Development of Memorandum of Understanding with the University of the Highlands and Islands** – HLH senior staff and the Deans of Facility are meeting on a regular basis to develop potential research projects at undergraduate and PHD level. To date the three main areas under consideration are:* the nuclear industry (to tie in with the Nuclear Archive);
* international family history research; and
* the cost and other benefits of falls prevention and activity levels in the elderly.

These and other potential projects will form the basis of a formal Memorandum of Understanding to be considered in due course by both organisations. |
| 2.6 | **Working with NHS Highland - Back Pain Clinics** - Traditionally, Physiotherapy sessions for managing back pain have been delivered in a clinical setting. Recently a pilot was run where Physiotherapists led back pain sessions in the Raigmore Community Centre in Inverness and signposted patients towards further self-management opportunities in the community (including other High Life Highland led activities). The clinics were held between January and March 2016 and were set up to provide patients with quicker access to care and reduce waiting times. The waiting list has now been dealt with and the partnership work will be picked up again should the need arise in future. |
| **3.** | **Regional Sports Facility** |
| 3.1 | The Project Board managing the feasibility phase of establishing a Regional Sports Facility in the Highlands has completed the tender evaluation process to select a Design Team.  The Board is made up of officers from several THC services, HLH and sportscotland.  With significant input from HLH and the National Governing Bodies of Sport, the Project Board has finalised the design brief for the team to work up the detailed design and costs of the project.  The costs of the bids received exceed the budget available for the feasibility phase of the project.  As such the Project Board is required to seek an uplift in the budget at the Council meeting on 29 June.  No further action can be taken in respect of appointing the Design Team until the Council decision on that date.  In the meantime, the contractors bidding for the design tender have been asked to hold their price until the end of June. |
| **4.** | **Stirling Council tender for Sports Facilities and Activities** |
| 4.14.24.3 | Recent European legislation has clarified that unless an Arm’s Length Organisation is owned by its host Local Authority, as HLH is, the tender for the services it delivers should be exposed to the market.  In several areas of Scotland such as East Renfrewshire and Perth, this has led to ALOs agreeing to change their governance regimes from being owned by its Directors to being owned by the local Council.  In the case of the Stirling Council area, Active Stirling has operated the Council’s sports facilities and more recently, active schools services since being established by the Council.  It is not owned by the Council and despite being willing to change to being Council owned, the Council is pursuing letting an open market tender.It is understood that several expressions of interest have been lodged for the tender which is in the early stages of preparation, including from fully private sector operators from England, where open market tendering [for predominantly sports facilities] is the norm.  In Scotland there has to date been no political appetite for this course of action, with the preference being for a close working partnership with resident Council created ALOs.  This development is of immediate concern to those ALOs who are still not owned by their host Councils as well as to those who have short term contracts or which are approaching the end of a contract.   |
| **5.** | **Implications** |
| 5.1 | Resource Implications – There are no additional resource implications arising from this report. |
| 5.2 | Legal Implications - There are no new legal implications arising from this report. |
| 5.3 | Equality Implications – there are no new equality implications arising from this report. |
| 5.4 | Risk Implications – There are no new risk implications arising from this report.  |

|  |
| --- |
|  **Recommendations**It is recommended Directors note:-1. the updates reported to the ECAS Committee on 18 May 2016;
2. the Regional Sports facility project update; and
3. the development in tendering for sports and leisure facilities and to expect an update once the outcome of the process is known.
 |

Signature:

Designation: Chief Executive

Date: 2 June 2016