**HIGH LIFE HIGHLAND**

Minute of a Meeting of the Board of High Life Highland held in the Boardroom, Inverness Library, Farraline Park, Inverness on Tuesday, 13 June 2023 at 2.00 pm.

**PRESENT**

|  |  |
| --- | --- |
| Mr D Finlayson  Mr N Finnigan  Mr M Golding  Ms M Hutchison (Remote)  Mr R Henry | Ms T Ligema  Mr K Nicol  Ms K Ross (Remote)  Mr M Tate (Chair) |

**In attendance**:-

Mr S Walsh, Chief Executive

Ms F Hampton, Director of Inverness Castle

Mr J Martin, Director of Corporate Services

Mr J West, Director of Culture and Learning

Mr D Wilby, Director of Sport and Leisure

Mr N Johnston, Head of Finance

Mrs J Mackenzie, Head of Governance and Scrutiny

Mr S Swanson, Head of Investment and Programme Management

Ms S Menzies, Business Support Officer

Ms J Corcoran, Head of Libraries

Mr A Hoseason, Head of Digital and Technology

Mr S Fraser, Company Secretary

Ms J Maclennan, Company Secretary’s Office

**Business**

1. **Apologies for Absence**

Apologies for absence were intimated on behalf of Mrs B Campbell, Mr A Jarvie

and Ms S Rawlings.

1. **Declarations of Interest**

There were no declarations of interest.

1. **High Life Highland Purpose, Key Business Objectives and Corporate Values 2022-27**

There had been circulated summary of High Life Highland’s purpose, key business objectives and corporate values as extracted from the High Life Highland Business Plan 2022-27.

The Board **NOTED** the position.

1. **Confirmation of Minutes**

Having been duly proposed and seconded, the following minutes were **APPROVED**:-

1. Board Meeting held on 14 March 2023;
2. Finance and Audit Committee held on 15 May 2023, *subject to the removal of Mr R Henry from the list of those present*;
3. Health and Safety and Environmental Compliance Committee held on 29 May 2023;

and **NOTED**:-

1. High Life Highland (Trading) (draft) held on 14 March 2023.
2. **Matters Arising – Board Meeting of 14 March 2023**

There had been circulated for information, matters arising from the meeting of the Board held on 14 March 2023.

The Board **NOTED** the position.

**CORPORATE GOVERNANCE**

1. **Appointment of Director to High Life Highland (Trading) C.I.C.**

Mr M Golding had intimated, at the High Life Highland (Trading) Board, held on the morning of 13 June 2023, his resignation as a Director of that Board.

The Board **AGREED** to appoint Mr D Finlayson as a Director to the Board of High Life Highland (Trading).

1. **Chair/Chief Executive’s Updates**

There had been circulated Report No. HLH/8/23 dated 29 May 2023 by the Chief Executive providing information to Directors and the opportunity for them to discuss issues affecting HLH and its work at an early stage.

An update was provided by the Chief Executive on the following: lessons learnt from the closure of the Inverness Climbing Wall;, discussions with Highland Council regarding reviews of their Revenue and Capital Budgets; Partnership Working (particularly with the Camanachd Association) and how HLH’s 6 monthly report to Highland Council had been positively received. The Chair then followed on informing the Board that the 2022/23 Audit had started that week and a draft would be considered by the Finance and Audit Committee in due course. He also indicated that, as the CoSLA Pay Award was likely to be higher than originally budgeted for, the Auditors would potentially raise the matter of HLH as a Going Concern and a Letter of Comfort would again need to be sought from the Highland Council.

Mr Golding, as former Chair of the Trading Board, also gave an update. He informed Directors that Mr M Boylan had been appointed as the new Chair at the meeting of the Board that morning. He also briefed that a consultant’s report had been commissioned on the catering operation, the outcome of which had been reported, and the Trading Board had welcomed its honest and frank assessment.

During discussion, Directors raised the following issues:-

* the negative reaction to the closure of the HLH Climbing Wall had been greater than expected so it was important to that this wasn’t seen as HLH pulling back from activities;
* the closure of the Climbing Wall had generated considerable correspondence to Directors and Officers were thanked for their guidance as to how to respond;
* turning to the CoSLA Pay Award negotiations, concern was expressed about the impact this might have on HLH as a Going Concern;
* the consultant’s report, a copy of which would be circulated to those HLH Board members on request, was welcomed as it would inform where adjustments were required and the professional judgement on the challenges ahead were to be commended;
* training in the catering operation was important to success but this had to be carefully managed so that it was not seen to be disadvantaging other areas of HLH;
* some Directors had experience, and contacts, in hospitality and who would be willing to help and advise on the way forward; and
* the Trading Board had asked for a Catering Operational Action Plan.

The Board:-

1. **NOTED** the updates; and
2. ***AGREED*** *the consultant’s report be circulated to the HLH Board on request.*

**STRATEGY**

1. **Service Delivery Contract**

Prior to entering into discussion, the Company Secretary took the opportunity to remind Directors of their role and responsibilities to the Charity. In particular, the crucial importance of the review of the Service Delivery Contract (SDC) was emphasised and it was important that discussions, both today and into the future, remained confidential.

In place of Report No. HLH/9/23, a presentation was made by the Chief Executive during which the intent of moving forward with the SDC review as soon as possible was highlighted. Discussions were due to take place on 4/5 July as it was recognised that it would need to feed into the Council’s 2024/25 budget. A small Sub-Group of Directors had been formed but there was an open invitation to all Directors to come forward should they want to take part.

During discussion, Directors raised the following issues:-

* Directors were willing to make themselves available and accessible to support the Chief Executive during negotiations;
* information was sought, and provided, as to which Council officers were leading on this matter and the process for Elected Member involvement;
* it was confirmed that the process would not be completed by the time it came for the Auditors to sign off the Annual Accounts and therefore a strong Letter of Comfort would be needed from the Council; and
* discussions were in a good direction of travel with meetings scheduled with Council Officers for 4 and 5 July. It was important to recognise that HLH was in a better position in comparison to other ALEOs in Scotland.

The Board **NOTED** the position.

**QUALITY AND PERFORMANCE**

1. **Finance Report**

There had been circulated Report No. HLH/10/23 dated 23 May 2023 by the Chief Executive updating Directors on the financial performance of High Life Highland for financial year 2022/23 and other relevant matters. The net position was a deficit of £333k, following provision of an additional £608k in financial support from Highland Council. Excluding this additional funding the net deficit represented an improvement of £203k on previously reported forecasts for the year end. Directors were also updated as to the current position in relation to HLH’s Reserves. An approach to Highland Council had been made that, given the improved year-end position, HLH could retain a level of Uncommitted Unrestricted Reserves in accord with policy, this approach had been unsuccessful although approval was granted to earmark Reserves for pay modelling. HLH had budgeted for a 4% pay award but Trade Unions had recently rejected a CoSLA offer of 5% resulting in a potential budget pressure for 2023/24, the Head of Finance would now adjust budgets to 6% for this financial year.

The Board **NOTED**:-

1. the draft year end outturn, subject to further analysis and audit, for 2022/23 as detailed in Appendices A-C of the report reports a deficit of £333k;
2. the level of reserves;
3. the theft at Torridon campsite;
4. no data breaches have been reported in the past quarter; and
5. the award of contracts at paragraph 7 of the report;

1. **Performance Report**

There had been circulated Report No. HLH/11/23 dated 26 May 2023 by the Chief Executive presenting performance information for the period January to March 2023.

During discussion attention was drawn to the Net Zero carbon targets which, despite being RAG rated as Red, was described as making good progress. During discussion it was noted that enterprise car hire miles would be included in the future, with travel being combined into a single indicator and that the RAG rating would be revised to accommodate this. Directors considered that the RAG rating should be based on 2022/23 travel, that the Green rating should use that level as a ceiling and that there was no appetite for reducing, thereby restricting, direct service delivery travel for mobile libraries, countryside rangers, music tuition etc.

The Board:-

1. **AGREED** that the overall health check on the charity for that period was RAG rated as “amber”;
2. **NOTED** that the actions taken to address the budget situation with the Council for financial year 2022/23 could help to address the amber RAG rating during the current financial year, however, inflation and in particular, staff pay inflation would continue to have an impact;
3. **NOTED** that customer numbers had recovered to pre-pandemic levels;
4. **AGREED** that the Executive Team review the staff attendance RAG rating definition for future reports;
5. ***DEFERRED*** *approval of the travel RAG rating to allow the points raised during discussion to be factored in; and*
6. **AGREED** that the executive team review the need for the strategies/plans where performance indicators had not been developed given the changed focus which had been required given the post-pandemic operating period.
7. **Annual Health and Safety and Environmental Compliance Report**

The annual Health and Safety and Environmental Compliance Report was circulated as HLH/12/23, dated 30 May 2023 by the Chief Executive, whose purpose was to inform Directors about the performance of High Life Highland in terms of health and safety and environmental compliance for the reporting period 2022/23.

The Board had responsibility for the charity's health and safety and compliance but this was monitored by its Health and Safety and Environmental Compliance Committee (HSECC). Since the last Board update there had been no enforcing actions; no environmental issues reported to SEPA; three matters that fell into the category of being RIDDOR reportable; and no trends required action by the charity. However, in relation to the latter, the Committee was monitoring issues under the category of "Acts of Violence" against staff. Whilst there had been an increase in concerning behaviours by the public, it was still relatively small and had to be compared against the attendances at locations.

The charity's specialist adviser, QLM, had also audited a number of facilities. Where required, Action Plans had been put into place and were being worked on by Responsible Premises Officers for completion by end of July 2023. Overall, the Board was assured that the HSECC was undertaking its duties on behalf of the wider organisation and, insofar as reasonably practicable, that the organisation was meeting the necessary "health check" standards.

During discussion, Directors raised the following issues:-

* referring to a recent chemical spillage at East Caithness Community Facility’ swimming pool, staff were praised for the exemplary manner in which it was dealt with. A number of actions had been identified, including training, to avoid this happening again;
* the graphs attached to the report detailing the number and nature of incidents were useful but it was requested that this cover a longer time frame, such as 5 years; and
* it was queried, in light of recent wildfires in Highland, what would happen if one took place near to a HLH site and it was then necessary to close that site.

The Board **NOTED**:-

1. that there were no notifications for improvement or enforcement actions during the reporting period;
2. that there were no environmental incidents requiring SEPA notification during the reporting period;
3. the low number and low severity of accidents or incidents over the reporting period, reflecting continuing good practice across the charity and the operational restrictions through the year;
4. *graphs appended to reports would detail patterns over a 5 year period;*
5. that the Health and Safety and Environmental Compliance Committee continued to meet quarterly with officers and the Charity’s external Health and Safety advisers to review Health and Safety performance, and on reviewing the accident and incident trend data it concluded that there were no issues arising from this requiring charity-wide action;
6. that the external safety audit was completed by QLM during October 2022 with an action plan created for risk reduction; and
7. that there were no union safety audits completed within the reporting period.

**The Board RESOLVED that the following item be restricted to Directors, representatives from HLH and the Company Secretary’s** **office.**

1. **Human Resources**

There had been circulated Report No. HLH/13/23 dated 25 May 2023 by the Chief Executive providing an update on the charity’s Human Resources related matters. In particular, the process followed for redeployment and redundancy was outlined.

During discussion, Directors raised the following issues:-

* assurance was sought, and provided, that where an employee took up employment with Highland Council, their years of continuous service would continue;
* it was confirmed that Thurso Gallery had not closed but there had been a change of use;
* a new Occupational Health Provider, based in Elgin, had been appointed. This was a Nurse Led provision with a hybrid approach involving face-to-face and digital consultations; and
* there was concern that the long-term absence had been RAG rated as red and it was important to ensure that the right interventions were made at the right time.

The Board **NOTED**:-

1. the standing HR matters for Q4 (January – March 2023); and
2. the update on the Redesign – Staffing Impact;

and **AGREED**:-

1. *a comprehensive report be brought to the Board providing detail on how absences were monitored and what other interventions might be available; and*
2. in principle, to progress the implementation of the Fare Report recommendations pending approval of the detail in relation to staff.
3. **Marketing and Communications Update**

The Director of Corporate Services gave a presentation on all Marketing and Engagement activity since the last update to the HLH Board in December 2022. In particular, Directors were informed of the various campaigns and projects carried out as well as HLH’s involvement with the press and media. Looking ahead there were a number of priorities, namely, *high****life*** promotions and campaigns; a new customer facing website; Making Life Better branding; and live data development.

In response to a query if *high****life*** was considering moving away from using plastic cards, it was confirmed that HLH was looking at more modern ways of managing membership by way of electronic cards held on an individual’s phone.

The Board otherwise **NOTED** the position.

The meeting ended at 4.10 pm