

Councillor Isobel McCallum  
Convener  
Highland Council  
Glenurquhart Road  
Inverness  
IV3 5NX

Date: 14 October 2016

Dear Councillor McCallum,

### **Catering, Cleaning, Facilities Management/Janitorial Services (CCFM/JS)**

Thank you for involving High Life Highland in discussions relating to the potential transfer of all or some of the above services. In advance of the full Business Case being considered at the Re-Design Board on the 18<sup>th</sup> of this month, I thought it might be helpful to let you know the outcome of the discussions at a well-attended HLH Director's seminar on the subject, held on Thursday 6<sup>th</sup> October, to which all Directors of the HLH Charity and Trading Company Boards were invited.

As you will know, the HLH Chief Executive, Ian Murray, and Head of Business, Fiona Hampton, have been involved in the Council's CCFM/JS Project Board led by the Care and Learning Service and as a result I have been able to keep HLH Directors abreast of discussions as they have developed. I appreciate and thank you for the open way in which your officers Brian Porter and Phil Tomlin have conducted the Project Board and for involving our staff in the process so comprehensively.

At the seminar, HLH Directors discussed the potential benefits to schools, communities and the public of a transfer of services to HLH. They also discussed the benefits and risks to HLH of accepting a request from the Council to transfer all or part of the services under discussion.

Overall, the view of HLH Directors relating to **Cleaning, FM and Janitorial services** was that, should the Council wish to transfer these services, HLH would be very receptive to the proposal based on;-

- The potential opportunity for increased public access to school buildings;
- The potential opportunities for efficiencies to be realised in bringing staff teams together under one chain of line management and;
- A conclusion that the size and range of activity fits with HLH's charitable objects and is manageable within existing management structures.

In relation to **Catering Services**, the views of HLH Directors were similar to those of Members at the two Council Seminars, such that the proposal to transfer catering services would pose difficulties at this time. HLH Directors were keen to assure you

that they would be happy to revisit this possibility in the future should the Council wish to do so. This view is based on:

- There are significant tax implications, mainly VAT, and risk issues for HLH relating to these services;
- There is little direct alignment with HLH's core current work, objectives and charitable objects;
- HLH currently has no experience in running these services;
- The size and complexity of these services would be likely to dilute senior management focus and time to the extent that all services including catering, could suffer.

Were the Council to reach the conclusion that it wished to transfer Cleaning, FM and Janitorial services to HLH, Directors would ask that the following issues are fully explored in advance of agreement being reached. These include;-

- Very recent amendments to the understanding of the current year's FM budget and its capacity to fund the planned roll out of FM services to the 47 small primary school currently receiving no janitorial allocation;
- A increased income target within the school lets budget of £180K which is as yet unallocated;
- A transparent allocation of the value of corporate, central services such as personnel, payroll and financial management services;
- Agreement on sharing the cost of specialist tax and legal advice connected to the joint processes of due diligence relating to the any potential transfer.

Finally, were a transfer of services be decided on, given the scale of the task of combining the two staff teams, I would be very grateful if the Council would consider exempting those transferring services from exposure to new savings targets for the first year of operation.

I hope that the above comments are helpful in the deliberations of the Re-design Board and I look forward to hearing the outcome of your Board's discussion as well as the decision of the Council at its meeting at the end of October. If I can be of any further assistance please do not hesitate to let me know.

Yours sincerely



Donald McLachlan  
Chair  
High Life Highland

CC Steve Barron, Chief Executive, The Highland Council  
Bill Alexander, Director of Care and Learning, The Highland Council  
Ian Murray, Chief Executive, High Life Highland