

Agenda Item	5.
Report No	CLH 15/19

HIGHLAND COUNCIL

Committee: Care, Learning and Housing

Date: 14 March 2019

Report Title: **External and Third Sector Sports, Culture and Leisure Funding**

Report By: Interim Director of Care and Learning

1. Purpose/Executive Summary

1.1 This report provides Members with an overview of the current position regarding funding for External and Third Sector Culture and Leisure service providers, and sets out proposals for progressing delivery of the £200k budget saving agreed by the Council for 2020/21.

2. Recommendations

2.1 Members are asked to:

- i. Agree to funding for 2019/20 being confirmed at 2018/19 levels for all current recipients, while the review to achieve the 2020/21 saving progresses.
- ii. Note the current position regarding Caithness Horizons.
- iii. Agree to the proposed notice periods, as set out within the report.
- iv. Note the standard form of communication that will be issued to all current funding recipients (Appendix 2).
- v. Note the process for review, with recommendations to come back to this Committee for decision, and notification, to the Committee in August 2019.
- vi. Agree a short-life Member sub group to assist with developing recommendations to come back to this Committee regarding review outcomes.

3. Background

- 3.1 In December 2014, the Council agreed reduced funding for external and 3rd sector culture and leisure service providers. Phase 1 involved a reduction of 5% in all grants and payments, and this was implemented from 2016/17. Phase 2 involved a further 45% reduction in total funding, to be implemented as part of a review that involved reconsideration of all existing payments, to be implemented from 2017/18.
- 3.2 A subsequent Council decision enabled implementation of this review to be delayed by a number of months, and it was also agreed that groups should receive notice of one year regarding the change to their funding. This saving has been implemented with affected groups being provided with clarity on funding for the period up to and including 2018/19. No confirmation regarding funding for 2019/20 has yet been provided.
- 3.3 At the Highland Council (Special) meeting on 14 February 2019 the Council agreed a further £200k saving from this budget to be implemented in 2020/21.
- 3.4 **Appendix 1** sets out the list of organisations, and the current 2018/19 budget and funding position.

4. Notice Period

- 4.1 As noted above the Council has previously agreed that groups should receive notice of one year regarding a change to their funding. If Members are in agreement to continue with this practice, i.e giving 12 months' notice by 31 March 2019, this ensures organisations have a one year period of financial stability with 2018/19 funding arrangements remaining in place throughout 2019/20, and any change to funding being implemented effective 1 April 2020.
- 4.2 In order to progress the above, the Council will need to communicate with affected organisations, and provide clarity on funding arrangements and review process. As current Service Delivery Agreements stipulate a formal six month notice period it is suggested having provided an initial 12 month notice period of the review, that by August 2019 all organisations are notified of the outcome of that review, and therefore have a minimum 6 month notice period of how any change will affect them.
- 4.3 A draft letter to be issued to affected organisations is enclosed as **Appendix 2**, confirming allocations for 2019/20, providing notice and setting out the process for review as outlined in this report.

5. Review Process

- 5.1 The Council has previously focussed its funding commitments to reflect the Council's priorities in relation to health promotion, community-based activities and young people. Council Members may wish to revisit the priorities and the assessment criteria to agree how the savings should be delivered. As part of the Council's corporate approach to delivering budget savings, a Programme Management Board is being established to oversee all savings, and this would be the forum through which Members and Officers discuss and make recommendations back to Committee on delivery of this saving, and future funding awards.
- 5.2 The review to implement previous budget savings, given the level of member interest, included the establishment of a short-life sub-group of elected members who were part of the development of recommendations then taken back to Committee for approval. If

members were minded to follow a similar process, the view of this Committee is sought noting that early meetings of the group would be required to progress the review, and ensure recommendations came back to Committee in August of this year at the latest.

6. Caithness Horizons

- 6.1 Members will be aware from a report to the 7th March Council, and press coverage, of the decision by the Caithness Horizons Board to cease operations due to concerns over financial sustainability. The funding the Council provides to Caithness Horizons, £75k in 2018/19, is funded from the budget covered by this report. As reported to Council, discussions are taking place with key stakeholders to consider options, and whether solutions can be found to allow the facility to re-open. In the context of the 2019/20 budget, and regarding recommendation (i) of this report, the funding currently provided to Caithness Horizons would be available in 2019/20 to support any options which emerge from ongoing discussions. Further reports will come back to Committee, and local members will be kept informed of further developments regarding the facility.

7. Implications

- 7.1 Resource: The resource implications were set out in the Council Report of 14 February 2019.
- 7.2 Legal: The contractual arrangements pertaining to the organisations have been outlined above.
- 7.3 Community (Equality, Poverty and Rural): To be undertaken as part of the assessment criteria.
- 7.4 Climate Change/Carbon Clever: None.
- 7.5 Risk: There are risks associated with organisations' ability to continue to operate with further reduced funding. These will be considered as part of the review process.
- 7.6 Gaelic: None.

Designation: Interim Director of Care and Learning

Date: 28 February 2019

Authors: Brian Porter, Head of Resources
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Background Papers:

Appendix 1 – current 2018/19 funding

	2018/19
Village halls	50,000
Duthac Centre	8,912
Assynt Leisure Centre	23,028
Mallaig Swimming Pool	81,057
Highland Disability Sport	3,391
Puffin Pool	7,175
Linnhe Leisure (Nevis Centre)	91,192
Sports Councils	34,000
Aros	7,096
Highland Printmakers	7,602
Lochaber Music School	9,123
Room 13	4,055
Youth Highland	13,435
Aviemore Highland Resort	180,000
Caithness Horizons	75,000
Uncommitted balance of funding	22,060
TOTALS	617,126

Please ask for:

Direct Dial:

E-mail:

Your Ref:

Our Ref:

Date:

Dear

Funding for culture and leisure services

I write to advise you of your funding allocation for the 2019/20 financial period, and confirm that your allocation for the coming year will be £xxxx, a continuation of the funding provided for 2018/19.

As agreed at the Highland Council (Special) Meeting on the 14th February 2019, a budget saving of £200k was agreed from the culture and leisure budget. The Council is aware of how this impacts on long term planning for 3rd sector partners so this change will not take effect until the 2020/21 financial period, giving organisations one years notice. This letter serves as the letter providing you with notification that funding allocations effective from 1 April 2020 are under review, as a result of this saving.

Further information on the process for reviewing the Council's funding commitments, and achieving the £200k saving will be provided to you in due course. The Council's intention is to ensure you are notified no later than 30th September 2019 of your funding levels for the 2020/21 financial period, providing a minimum 6 month notice period as per the terms of the Service Delivery Agreement.

Should you require additional information please telephone me on the number above.

Yours sincerely