

Agenda Item	8
Report No	RES/17/21

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 26 May 2021

Report Title: The Haven

Report By: Executive Chief Officer, Health and Social Care

1. Purpose/Executive Summary

- 1.1 In August 2016 the Council's Resources Committee agreed in principle to make an award of £0.250m to the Haven project from the Council's capital discretionary fund. The Haven project is being led by the Elsie Normington Foundation (ENF), a local registered charity. The original commitment made by Highland Council was strictly subject to all other funding being in place. In August 2019 the Corporate Resources Committee agreed to extend that commitment by a further year to August 2020. Members agreed that a full review of the Council's commitment to this project would take place in August 2020 had the funding draw down not commenced.
- 1.2 This governance timeline was not achieved due to the impact of the Covid-19 pandemic, but with the Haven project now having achieved funding milestones, in particular following recent confirmation of Scottish Government capital funding, and with the Council having undertaken further due diligence, this report now seeks approval to formalise and release the Council's capital funding pledge to the project.

2. Implications

- 2.1 Resource (Budget and Staffing) – the capital contribution is provided for within the Council's current capital programme. With the project having secured full funding, no additional contribution from the Council beyond the £250,000 is expected and this has been clarified with ENF and will be formalised in a written agreement going alongside the funding provided. There is no revenue support nor revenue funding for commissioning of service sought from the Council or assumed within the ENF business plan.
- 2.2 Legal - the land sale associated with the project is currently going through the normal legal processes to complete. A formal agreement related to the provision of capital funding will be prepared by Officers.

- 2.3 Community (Equality, Poverty and Rural) - the Council's capital contribution would contribute to the creation of new provision at the Haven Centre and have a positive impact for children and young adults with multiple disabilities and complex needs. While Inverness based, the expectation is that the facilities on offer, including respite provision, would attract use by families from across the wider Highland area. In relation to economic and employment impacts, the business case indicates the project will create 52 jobs during construction phase, and 19 full time and 11 part time through the Centre. Further volunteering, training and work placement opportunities are also expected.
- 2.4 Climate Change / Carbon Clever - no direct impact for the Council as this will not be a Council run facility.
- 2.5 Risk - as noted within this report, assurances and confirmation has been provided by ENF to limit the Council's capital funding exposure to the £250,000 sought, and also to ensure no direct revenue funding is being expected from the Council. While there may be some risk that at some future point the Council could be approached to provide additional funding, this has been mitigated through the business plan analysis undertaken by the Council, and the assurances sought from ENF.
- 2.6 Gaelic – no implications to highlight.

3. Recommendations

- 3.1 Members are asked to:
- i. Note and welcome the progress made by the Elsie Normington Foundation in securing full funding for the capital costs of the Haven Centre project.
 - ii. Note the business case assessment and other due diligence work undertaken by Council Officers in relation to the Haven Centre project.
 - iii. Agree to the release of the Council's previous funding commitment of £250,000 capital to the Haven Centre project, with detailed written terms attached to the funding to be prepared by Officers.

4. Background

- 4.1 *"The Elsie Normington Foundation (ENF) has ambitious plans to develop a dedicated multi-purpose facility in Inverness, called The Haven Centre, for children and young people up to the age of 30 with multiple disabilities and complex needs. The project will comprise three two-bedroom respite flats, a Community Cafe, outdoor/indoor play centre with childcare facilities, and several meeting spaces"* (source: ENF Business Plan).
- 4.2 As outlined in section 1, the Council had previously pledged funding of £0.250m from the Council's then Capital Discretionary Fund, with that project funding still provided for within the Council's current capital programme.
- 4.3 The Council commenced further discussions with ENF at the start of 2021, to review the updated Business Plan for the Haven Centre project, understand the current position in terms of project cost and funding, and to undertake appropriate due diligence. A number of meetings with ENF took place in that regard, and in turn with Scottish Government officials and officers from NHS Highland.

- 4.4 During the timescales of this process, the project reached a milestone position, when on 18th March Scottish Government confirmed funding of up to £1.7m for the project. That, alongside other funding secured by the project including £1.1m from National Lottery and also funding from other sources, ensured that the project has secured full funding towards the estimated £4.1m capital project cost.
- 4.5 The site of the Haven Centre is to be on land in Council ownership, in the Smithon area of Inverness. The Council has already agreed to the sale of the land to the ENF, and with all necessary governance already through the relevant Committee (the Council's February 2019 Economy and Infrastructure Committee considered an updated report on this matter and agreed to "Extending the previously agreed partial sale of land at Murray Road Inverness to the Elsie Normington Foundation to the whole sitefor £250,000."). The sale price reflects the full price the Council had purchased the site for. It is expected that this land transaction will now move forward with the project having secured the required funding.

5. Business Case Review and Due Diligence

- 5.1 Council officers have undertaken a review of the Haven Centre business case in determining whether a recommendation could be made to release the Council's capital funding pledge.
- 5.2 That work assessed the position in terms of the estimated capital costs and funding secured, and also the expected operational and running cost assumptions. From that work officers were sufficiently assured on the business plan that had been developed, and in turn received assurance that no revenue funding or revenue commissioning of service was expected from the Council.
- 5.3 As referred to earlier, during the business case review timeline, the ENF also received confirmation of Scottish Government funding which in turn provided the clarity that the project had now achieved 'full funding'.
- 5.4 Council officers have also engaged with officers from Scottish Government and NHS Highland as part of this process, and to ensure feedback between relevant parties on assessment of the Haven Centre proposal.

Designation: Executive Chief Officer, Health and Social Care

Date: 21 April 2021

Author: Brian Porter, Head of Resources

Background Papers: