

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide the Community Services Committee with an update on the performance and monitoring arrangements between Live Argyll (LA) and the Council as set out in the various agreements between the Council and the Trust.

RECOMMENDATIONS

- 1.2 The Community Services Committee is asked to consider and note the contents of this report together with the Live Argyll Annual Report 2022/23 attached at Appendix 1.

LIVE ARGYLL – MONITORING AND PERFORMANCE REPORTING - UPDATE REPORT

2.0 INTRODUCTION

2.1 The purpose of this report is to provide the Community Services Committee with an update on the performance and monitoring arrangements between Live Argyll (LA) and the Council as set out in the various agreements between the Council and the Trust.

3.0 RECOMMENDATIONS

3.1 The Community Services Committee is asked to consider and note the contents of this report together with the Live Argyll Annual Report 2022/23 attached at Appendix 1.

4.0 DETAIL

4.1 The Council approved the implementation of a Leisure and Libraries Trust on 24 November 2016, following a recommendation by the Community Services Committee of 21 November 2016.

4.2 Thereafter, LA was constituted on 29 September 2017 and the Council entered into a Transfer Agreement, Service Agreement, Support Services Agreement and Facility Licence. These set out a number of reporting and monitoring requirements.

SERVICES AGREEMENT

4.3 There is a Services Agreement in place between LA and the Council in respect of the leisure and library services to be delivered by LA on behalf of the Council. LA are operating in terms of their 2021-24 business plan.

BUSINESS PLAN

4.4 The Council in constituting LA was mindful of the code of guidance on funding external bodies and following the public pound. In exercising its business plan and delivering the services LA reports that it continues to adhere to those principles. The overarching business plan based on the financial operating model and services specification was previously agreed by the Council and covers the period from 1st April 2021 to 31st March 2024. The plan refers, as

with previous plans references 3 key themes set out below each of which LA advises is

- **Growth:** Leisure and Library type services are performing well. LA advise that performance information is in line with expectations and comparable sector data. Income levels have seen considerable growth which has allowed for significant unfunded cost pressures to be absorbed and importantly allowed the continuation of full service specification obligations.
- **Participation:** LA report that Leisure participation rates are strong in the context of national and sector averages. Leisure membership levels are above pre-pandemic levels across all areas in which facilities are located. The newly opened Helensburgh leisure centre is showing substantial increases in membership and usage across all demographic demonstrating that the programme of activities in place is addressing local needs. Library performance information indicate small growth across the board however more specifically Digital usage of library type services has seen significant growth with substantial increases in on-line borrowing. LA previously reported that event type activity and associated audience participation rates was significantly reduced. This has seen a moderate improvement and their position is reflective of the wider event market.
- **Quality:** LA continue to place a significant amount of emphasis on the quality of product and service on offer and introduced a range of measures and protocols identified and aimed at ensuring a consistent quality offering across all of their services.

BUSINESS PLANNING: SECTOR PLANS

4.5 LA report that they continue with implementing sector plan proposals and priorities for change. As with the vast majority of services, plans continue to be reviewed and where appropriate updated to ensure priorities support key objectives. It is understood that good progress is being made and the plans are on track to deliver or contribute to their proposed outcomes. The following are examples of current work sector plans:

- Re-purposing facilities to support commercial activity;
- Re-purposing facilities to support Council building rationalisation programmes.
- Where appropriate digitalisation of customer interface protocols
- Securing long term partnership agreement with Sportscotland in respect of Active Schools programme
- Increased focus on LA's contribution to Health and Well-being agenda and social prescribing.

THE SERVICES / PERFORMANCE MANAGEMENT

SERVICE SPECIFICATION

- 4.6 LA is responsible for delivering leisure, library, halls, community centres, community learning and development services, community lettings, museum, archives, active schools services across Argyll and Bute. The service specification sets out the specific services LA have committed to deliver and that they are required to ensure they adhere to those commitments.

PERFORMANCE MANAGEMENT

- 4.7 In order to establish if and to what extent they have complied in the provision of the services, the Services Agreement requires LA to provide operational performance information to the Council with a Performance Report on its operational performance in the second and fourth quarter of each financial year (namely June and December). LA are also required to provide a complete set of relevant accounts to the Council no later than 5 months from the end of each financial year. LA advised draft accounts were submitted May 2023 and audited accounts will be submitted by December 31st 2023.

PERFORMANCE REPORT

- 4.8 Performance information shows positive trends across a number of services and overall LA is deemed to be performing above current sector average rates. Leisure Memberships rates and associated income level have seen sustained growth in no small part due to their underlying pricing model. Libraries, Active Schools and Community Learning services are performing well, the latter have received previous year positive HMIE inspection reports with further HMIE inspection planned earlier 2024. The 2023 annual report clearly highlights the positive impact of services and LA's commitment to returning and improving upon previous levels of performance.

It should be noted that in some specific circumstances changing customer behaviour and user trends may result in alternative performance measures being introduced and / or proposals for amendments to service specification obligations.

FINANCIAL POSITION

- 4.9 LA continue to actively manage their financial position. Over the last 3 financial years self-generated income levels have risen from £2.3m to a projected £3.78m. This has allowed the company to absorb significant payroll inflationary pressures and also re-invest in facilities and equipment without placing any additional requests on the Council. LA further advise that the in-year position (23-24) whilst managing an average 7% pay award is anticipated to breakeven. The financial position will continue to be reviewed by LA and Commercial Services. Proposals and options are currently being prepared to address a

10% reduction to the 24/25 annual services payments which if agreed will impact non-commercial services such as Libraries and Sport Development and focus on ambitious income targets – including pricing increases for some categories.

SCHEDULED DEVIATIONS

- 4.10 LiveArgyll have fulfilled the significant majority of service specification obligations. Where deviations exist, these have been ad-hoc and primarily due to unavoidable or extra-ordinary circumstances out-with their control. It is therefore considered that LA have fulfilled their service delivery obligations. Like many organisations, post pandemic liveArgyll did encounter some short term disruption as a result of Covid Absence however this did not materially impact overall service delivery.

SUPPORT SERVICES AGREEMENT

- 4.11 There is a Support Services Agreement in place between LA and the Council in respect of central support services delivered by the Council to the Trust. As part of the requirements of the agreement, the operation of the support services are kept under annual review by the Council and LA. LA has advised that from their perspective, arrangements continue to operate satisfactorily with effective working partnerships in place.

OTHER DEVELOPMENTS

- 4.12 LiveArgyll opened Helensburgh Leisure centre September 22 and report significant success in attracting and retaining membership. The centre is in the top quartile in terms of penetration rates. A 7 day week offering is in place targeted at all demographics.

A living well partnership with Macmillan and HSCP is due to go live April 2024 with preparatory work at an advanced stage. The aspiration of the Living Well project is to embody a philosophy of prevention, by focusing on wellness, not illness, empowering and enabling those within Argyll and Bute to live well. An Argyll and Bute wide multi-agency approach is required to ensure a cohesive strategic vision. The project will see a programme of prevention work based on a tiered framework. This ensures that services are offered at the right level for people at various levels of risk, ability, and health. The aim is that a person can join at any appropriate level and move through the tiers as required. The distinct levels require differing levels of intervention, support, staff training and competencies & experience. The partnership is fully funded by McMillan and HSCP and is cost neutral to liveArgyll.

5.0 CONCLUSION

- 5.1 The current arrangements between the Council and LA are working well with no areas of service which are of particular concern. LA continue to perform extremely well. The specific reporting and monitoring requirements are deemed fit for purpose. Given the cost of living crisis and other operating circumstances of, LA has adapted well and excellent progress continues to be made.

6.0 IMPLICATIONS

- 6.1 Policy - In line with Council policy in relation to Leisure and Libraries Trust
6.2 Financial – None
6.3 Legal - In line with relevant contractual agreements between Council and Live Argyll
6.4 HR - None
6.5 Fairer Scotland Duty: None
6.5.1 Equalities - protected characteristics – None
6.5.2 Socio-economic Duty:
6.5.3 Islands – None
6.6. Risk – as outlined in body or report above
6.7 Customer Service – None
6.8 Climate Change - None

Douglas Hendry - Executive Director with responsibility for Commercial Services

Gary Mulvaney – Policy Lead for Commercial Services
23rd November 2023

For further information contact:

Ross McLaughlin, Head of Commercial Services, 01436 658 914

Appendices:

Appendix 1 – Live Argyll Annual Report 2022/23