

ANGUS COUNCIL

18 MARCH 2021

ANGUSALIVE: UPDATE

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ABSTRACT

This report provides an update in relation to ANGUSalive, including the latest impact of COVID-19 on the temporary operating plans and progress with the transformation project, including key aspects of ongoing strategic development work.

1. RECOMMENDATIONS

1.1 It is recommended that the Council:

- (i) Note the ongoing impact of COVID-19 on ANGUSalive, with the lockdown restrictions which commenced on 5 January 2021, resulting in ANGUSalive's main operations being suspended to comply with legislation, being extended to the end of February 2021 and possibly longer, and subject to the roadmap out of the Scottish lockdown which it is anticipated will be published week commencing Monday 22 February 2021;
- (ii) Agree that the interim changes to the Services Specification, as outlined in section 4.2 below, continue. This will form the content of a formal change notice between the Council and ANGUSalive which will reflect the current temporary operating position;
- (iii) Note the current 'going-concern' update reflecting ANGUSalive's latest financial position, and recognise the ongoing and significant contribution that ANGUSalive's Board and Senior Leadership team are making to ensure the ongoing viability of the organisation through these challenging circumstances;
- (iv) Note that ANGUSalive has continued to make successful applications for external grant funding, including government support schemes, to contribute to the charity's short term business viability, amounting to £2,269,864.90 (up to 22 February 2021), with details included in Appendix 1 of this report; and
- (v) Note the progress with the ongoing development of the transformation project, including the launch of ANGUSalive's new digital 'App'; progress with the Angus Sport & Physical Activity framework; development of the Angus Cultural Strategy; and the change to creche arrangements at sports facilities, aligned with the broader 1,140 hours early learning and childcare expansion programme.

2. ALIGNMENT TO THE COMMUNITY PLAN/ COUNCIL PLAN

2.1 This report contributes to the following local outcome(s) contained within the Community Plan:

- An inclusive and sustainable economy
- A skilled and adaptable workforce
- Attractive employment opportunities
- The best start in life for children
- More opportunities for people to achieve success

- Improved physical, mental and emotional health and well-being
- Safe, secure, vibrant and sustainable communities

3. BACKGROUND

- 3.1 Reference is made to Report 36/21, considered by the Council at its meeting on 11 February 2021; along with Reports 334/20, 272/20 and 224/20, which together form the series of reports to full Council which have been keeping members up-to-date with the impact of COVID-19 on ANGUSalve as a going concern and interim changes to the Services Specification to reflect the current temporary operating position to comply with COVID-19 restrictions and legislation. These reports have also provided updates in relation to the transformation project being progressed to address the ongoing business viability.
- 3.2 Reference is also made to Report 67/21 and its Annex 1, which was considered at the Special Council meeting held on 4 March 2021, which presented the review of charges for services delivered by ANGUSalve as well as the proposed 2021/22 budget settlement between the Council and ANGUSalve. That report also provided an update in relation to the range of Council support measures that are available to provide assistance if required to support ANGUSalve to continue operating as a going concern throughout 2021/22, subject to review through the annual external audit process.

4. CURRENT OPERATING POSITION UPDATE

4.1 Overview

- 4.1.1 The Scottish Government review which took place on 2 February 2021 confirmed at that time that lockdown restrictions which commenced on 5 January 2021, resulting in ANGUSalve's main operations being suspended to comply with legislation, would be extended to the end of February 2021.
- 4.1.2 The subsequent announcement by the Scottish Government on 16 February 2021 confirmed no immediate changes to the current lockdown restrictions with one limited exception related to the phased and gradual return to school.
- 4.1.3 The announcement also confirmed the Scottish Government is currently preparing a revised strategic framework anticipated for publication week commencing 22 February 2021. It was indicated that this framework will set out the order of priority for re-opening, along with conditions that need to be met to be able to start lifting restrictions to emerge from this lockdown, but will not provide specific dates at this time.

4.2 Proposed Temporary Amendments to Services Specification

- 4.2.1 The current temporary operating position for ANGUSalve (as per Report 36/21), therefore remains unchanged until further notice. This temporary operating position does not meet the requirements of the current operational services specification as agreed between the Council and ANGUSalve and as operated prior to COVID-19.
- 4.2.2 Accordingly, members are asked to agree that a formal change notice between the Council and ANGUSalve can be issued which reflects this continued interim position.
- 4.2.3 Members are again reminded that, in accordance with recommendation (v) of Report 224/20, approved by Council on 10 September 2020, agreement to proceed with this change notice on these terms will not reduce the Council Management Fee agreed by full Council on 27 February 2020 as detailed in Report 81/20 for the period ending 31 March 2021.
- 4.2.4 Report 67/21, which was considered and approved at the Special Council budget setting meeting held on 4 March 2021, also noted the Council's commitment to continue paying the full Council Management Fee during 2021/22, notwithstanding the high likelihood that the full range of services included in the current services specification will not be delivered due to the

impact of the COVID-19 pandemic. Members will be kept up to date with the range of services that are being provided as part of future ANGUSalve update reports.

4.3 'Going Concern' Update

- 4.3.1 ANGUSalve continues to operate on a going concern basis and continues to trade legally. This remains to be an important area in light of the ongoing coronavirus circumstances as the ANGUSalve Board need to be assured that the charity can continue to trade legally.

Although there is no issue with ANGUSalve moving forward on a going concern basis and trading legally at this time, the position is being very closely monitored by the Board as it remains under pressure. There continues to be a lot of uncertainty, both positive and negative, in the cash-flow projection assumptions.

The Council support measures alone (Report 67/21 refers) however will not be sufficient and there is a continued need to transform the business to be sustainable over the longer term.

- 4.3.2 Successful applications to obtain the Coronavirus Job Retention Scheme (CJRS) grant funds to the value of £1,912,657.74 for the period to 31 January 2021, have been received by the charity.

Three further CJRS claims are now expected to be made to cover the remainder of the Scheme to 30 April 2021, and estimates are incorporated in the charity's cash flow projections.

A further update on wider Covid-19 economic support, including what happens beyond the CJRS, currently scheduled to end on 30 April 2021, continues to be anticipated as part of the UK Budget announcements on 3 March 2021. At the time of writing this report, no further information is available.

- 4.3.3 The Policy and Resources Committee approved Report 17/21 at its meeting on 2 February 2021. The Committee agreed that the Council's loss of income scheme allocation be added to the Council's COVID-19 Contingency Reserve. The Committee further agreed that £119,000 of the allocation relating to ANGUSalve be earmarked for ANGUSalve use, to be drawn down as required. This would be the first support measure to be drawn down.

Additional funding for the loss of income scheme was announced by the Scottish Government on 28 January 2021 – raising the Scotland-wide funding from £90 million to £200 million. Confirmation was received on 18 February 2021 that the ANGUSalve element of the Council's allocation is now £265,000. It is this amount that will now be set aside in the Council's COVID-19 Contingency Reserve for ANGUSalve use.

- 4.3.4 Members will recall from Report 67/21 that to maintain ANGUSalve as a sustainable organisation (and crucially to maintain the going concern assessment that allows them to trade legally), it is expected that the continued backing and availability if required of Council support measures, including financial support items, will be required throughout 2021/22.

An assessment of going concern will again be carried out as part of the closure and audit of the ANGUSalve 2020/21 final accounts and the existence of the package of Council support measures during the first 6 months of the assessment period (October 2021 – March 2022 inclusive) will form one of several factors that play a part in determining the basis on which the accounts are completed.

- 4.3.5 ANGUSalve has also made successful applications for external grant funding to contribute to the charity's recovery and renewal planning. The total value of the successful funding applications is £2,269,864.90 (up to 22 February 2021) and further details are included in Appendix 1. This figure includes £1,912,657.74 funding received via the Coronavirus Job Retention Scheme (CJRS).

- 4.3.6 It continues to be essential that ANGUSalve maximises support from the Coronavirus Job Retention Scheme (CJRS) during this period of enforced closure to comply with legislation. All

income generation channels remain on hold indefinitely with no information available from Scottish Government about when this position will change. ANGUSalive has suspended customer bACTIVE membership direct debit payments due for collection from customers until further notice since the sports facilities continue to be unavailable. This is expected to have a significant impact on the charity's income over the longer term as well as in the current quarter.

5. ANGUSALIVE TRANSFORMATION PROJECT UPDATE

5.1 Overview

5.1.1 Members may recall from Report 36/21 that three Rapid improvement Events have been held over the past few months to facilitate input to start the design of the new services specification. Those involved include representatives from a range of Council services, the Angus Health & Social Care Partnership and Voluntary Action Angus.

5.1.2 Five action focussed working groups have now been established to progress the conversations and opportunities to develop new ways of working emerging from these events. The respective groups will focus on:

- Health & Wellbeing/ Social Prescribing
- Schools/ young people opportunities
- Customer services
- Future model of service delivery
- Using buildings differently

5.1.3 These groups will develop their plans over the next few months and it is planned to provide a progress update for members at the Council meeting on 24 June 2021.

5.1.4 Other aspects of ongoing review and development work that ANGUSalive are progressing are set out below.

5.2 New ANGUSalive Digital 'App'

5.2.1 The long-term vision of ANGUSalive has been to provide a virtual online offering for customers. Launch of the ANGUSalive app through the pandemic has provided customers an opportunity to feel part of a community, reconnect with other members and their favourite instructors, safely exercise from the comfort of their own home and exercise at a time convenient to them.

5.2.2 With the Scottish Government advising the public to 'Stay at Home' this opportunity allows our communities to keep active and healthy from home.

5.2.3 The app provides opportunities to attend popular group exercise classes normally ran within our centres. Live streaming of sessions and the offering provided through our 'On Demand' section ensures a flexible approach to being active. When sites re-open the app will enable booking access to swimming pools, gyms, and exercise classes. Customers receive push notifications alerting them of up and coming programmes and latest ANGUSalive news.

5.2.4 Sessions provided through the app are currently free of charge to all individuals until the end of March and can be accessed through an IOS or Android device or the web.

5.2.5 In terms of customer feedback, the app provides a link to a smart survey designed for customers to provide feedback after attending a session. So far there have been 583 responses. Customers have been asked to feedback on the quality of the session, the instructor, quality of music through the app and other general feedback. The general feedback has been very positive and enabled customers to provide programming suggestions. Additionally, customers were asked if they would use the app again, 98.63% answered 'yes'.

5.2.6 Statistics in the table below show usage since launch of the app on Monday 25 January 2021:

	Recorded number after 4 weeks
App downloads	2040
Sessions Viewed on App*	7287
Number of Active Users	1237
Number of participants who've attended a live streamed session	2045
Number of live streamed sessions	51
Average number attending a live stream session	40

*From the 7287 sessions viewed, 60% have accessed live and 40% through On Demand.

- 5.2.7 In terms of the next stages, an ANGUSalve working group with key individuals from the business support team, marketing, programming, and operational teams from across the organisation has been created to create a short, medium and long term approach for usage of the app.

5.3 Development of the Angus Sports and Physical Activity Framework

- 5.3.1 The Sport & Physical Activity Framework for Angus is being structured around the Scottish Government's document 'A More Active Scotland: Scotland's Physical Activity Delivery Plan' which includes six Active Scotland Outcomes. It will directly contribute to the strategic priorities of ANGUSalve and the Angus Community Planning Partnership's Community Plan, striving to achieve the vision that Angus is a place where an active life is accessible for all.
- 5.3.2 Following the current sportscotland partnership agreement (2019-23), ANGUSalve formed the Angus Sport & Physical Activity Planning Partnership in early 2020 and have been responsible for driving forward development of the framework throughout the coronavirus pandemic.

The Angus Sport & Physical Activity Planning Partnership is a collaboration currently involving:

- ANGUSalve
- Angus Council
- NHS Tayside
- sportscotland
- Dundee and Angus College
- Voluntary Action Angus

- 5.3.3 Key themes have been agreed and working groups have been created to identify local outcomes aligning to the Active Scotland Outcomes. The establishment of the working groups has strengthened key partnership working across the local area and enhanced the creation of a joint approach to the future of Sport & Physical Activity (e.g. NHS Tayside).
- 5.3.4 Consultation is underway and has been completed with Scottish Governing Bodies of Sport, Angus Community Sport Hubs and the general public with responses currently being analysed. The draft framework will be presented to the Angus CPP meeting on Wednesday 24 February 2021 to help support consultation with community partners during March. It is then intended to collate feedback and incorporate any required updates to the Sport & Physical Activity Framework for Angus prior to publication in May 2021.

5.4 Development of the Angus Cultural Strategy

- 5.4.1 Culture Radar was commissioned by ANGUSalve and Angus Place Partnership in March 2020 to develop the first Cultural Strategy for Angus.

The Angus Cultural Strategy will align with the following local, regional and national strategies:

- Angus Community Plan (2017 - 2030)
- Angus Economic Strategy (2013 - 20) and Tourism Framework (2019 - 34)

- Tay Cities Region Economic Strategy (2019 - 39); Tourism Strategy (2019 - 24)
- Scottish Government Cultural Strategy

5.4.2 A variety of sources of information and engagement have been used to identify key priorities, themes and actions to inform development of the Angus Cultural Strategy. These have included a sector survey, desk research, culture mapping, in depth interviews and development workshops,

5.4.3 A series of Angus Cultural Strategy development workshops were hosted in November 2020 and January 2021. Attendees included cultural workers and practitioners from a wide variety of artforms and job roles, as well as funders, decision and policy-makers, local and national government and stakeholders from related sectors. Each session provided contributions from expert speakers sharing their experience of delivering inspirational projects across the UK followed by themed breakout sessions to generate discussion and connections to identify key priorities and actions for the strategy.

The Angus Cultural Strategy will present an ambitious cultural vision and accompanying action plan for 2021 2026 when it is published in Spring 2021.

5.5 Change to Creche arrangements at Sports Venues

5.5.1 Increased private and public early years childcare provision is now available to parents and guardians following an expansion in Scottish Government funded childcare in recent years.

5.5.2 'The Children and Young People (Scotland) Act 2014' included provisions to increase the amount and flexibility of free early learning and childcare from 475 hours a year to a minimum of 600 hours for three and four year olds, and two year olds who are, or have been at any time since turning two, looked after or subject to a kinship care order. The expanded provision for two-year-olds has since been made available to every two-year-old from a workless household in Scotland, as well as families that receive certain welfare benefits such as Jobseeker's Allowance.' (Source: Care Inspectorate The Hub)

5.5.3 The Scottish Government committed to further extend funded provision to 1,140 hours a year across the country by August 2020.

5.5.4 'At the end of March 2020, the Scottish Government announced the decision to pause the 1,140 hours expansion programme to allow local authorities to focus on their immediate response to the COVID-19 pandemic. Following a joint statement from the Minister for Children and Young People and COSLA on 14 December 2020, all eligible children will now benefit from 1,140 hours of funded early learning and childcare by August 2021.' (Source: Care Inspectorate The Hub)

5.5.5 The most recent increase in childcare provision has already been delivered across Angus which is positive news for families. This will however have a significant downward impact on customer demand for creche at ANGUSalive sports facilities. Use of this service had already faced a marked decline following earlier changes to increase free early learning and childcare from 475 to 600 hours, and this provision has now been almost doubled to 1,140 hours. It is therefore no longer financially viable for the charity to operate creche services.

5.5.6 In parallel, Covid-19 restrictions require contacts to be limited by managing children within 'bubbles'. It is advised that consistency of groups is beneficial, and children should remain within the same groups wherever possible. Whilst this can be achieved in an early learning and childcare setting it is not possible in a creche given the drop in nature of the service. ANGUSalive creches have been closed since March 2020 and there is no information available from Scottish Government which can be used to determine when creche could resume.

5.5.7 The ANGUSalive Board therefore approved the discontinuation of creche provision at ANGUSalive facilities with immediate effect and commencement of consultation with affected employees using managing workforce change procedures to engage with employees and trade unions, supported by the Council's Human Resources service.

5.5.8 Trade unions have been kept up to date with development of this proposal through regular Consultative & Safety meetings with ANGUSalive. It is recognised by all parties this is the best time to undertake the cessation of creche services since there is currently a diverse range of redeployment opportunities available to these employees.

5.5.9 In terms of the approvals for this change, it is confirmed that the Creche provision is not part of the current Service Specification with Angus Council. This is therefore a matter that can be decided independently by the ANGUSalive Board.

6. FINANCIAL IMPLICATIONS

6.1 Various financial aspects have been included throughout the body of the report and these will be further reviewed and expanded upon in future update reports. This will include whether there is likely to be a need to call on the Council support package in next financial year 2021/22. There are no other specific financial implications at this time in respect of this update report.

7. RISK

7.1 This report sets out the updated position with ANGUSalive due to the changing circumstances around income generation capability crystallised by the COVID-19 pandemic.

7.2 It continues to be emphasised that the cash flow projections are being prepared in an environment of significant uncertainty and include a number of assumptions which have been made on the basis of the known information available at this time. There is therefore a high risk given the fluctuating position that some of these assumptions prove to be inaccurate depending on how measures to tackle the pandemic progress and further revisions will be necessary on an ongoing basis.

8. CONSULTATION

8.1 The Chief Executive Officer of ANGUSalive has been consulted in the preparation of this report.

9. EQUALITIES IMPACT/ FAIRER SCOTLAND DUTY ASSESSMENTS

9.1 There is no update to the main Equalities Impact and Fairer Scotland Duty assessments which were prepared in relation to Report 224/20.

9.2 A specific Equalities Impact Assessment has been undertaken by ANGUSalive in relation to the change to Creche arrangements at Sports Venues and this is included in Appendix 2.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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Appendices:

Appendix 1 – ANGUSalive Successful External Funding Summary

Appendix 2 – Equalities Impact Assessment: Change to Creche arrangements at Sports Venues