

ANGUS COUNCIL

24 JUNE 2021

ANGUSALIVE: UPDATE

REPORT BY VIVIEN SMITH, DIRECTOR OF STRATEGIC POLICY, TRANSFORMATION & PUBLIC SECTOR REFORM

ABSTRACT

This report provides an update in relation to ANGUSalive, including the organisation's current temporary operating arrangements and recovery plans in relation to the Scottish Government's framework and timescales for the easing of lockdown restrictions, along with progress in relation to the ongoing development of the ANGUSalive Transformation Project previously agreed by the Council.

1. RECOMMENDATIONS

1.1 It is recommended that the Council:

- (i) Note ANGUSalive's current temporary operating arrangements, along with proposed recovery plans over the next few months, subject to Scottish Government's further easing of restrictions, as set out in Appendix 1;
- (ii) Agree the interim changes to the Services Specification which will form the content of a formal change notice between the Council and ANGUSalive, which will reflect the current temporary operating arrangements, as set out in Appendix 1;
- (iii) Note the Chief Executive's emergency decision, in consultation with the Director of Infrastructure, requiring ANGUSalive to temporarily hand-back to the Council three facilities (Reid Hall, Forfar; Arbroath Community centre; and Montrose Town Hall) from ANGUSalive, using the provisions in the licence to occupy agreement, with the purpose of using said facilities to support the acceleration of the vaccination programme, in response to the recent guidance issued by the Chief Medical Officer;
- (iv) Agree that ANGUSalive should stop taking any bookings at these three venues until the start of the new calendar year in January 2022, as noted at section 4.2.5 below, subject to ongoing review of the emerging position with the vaccinations roll-out;
- (v) Note that agreeing to recommendation (iv) above will result in a loss of income for ANGUSalive, and the financial implications of this will continue to be monitored closely and considered as part of the support package measures as set out in section 4.4.12 below;
- (vi) 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 £2,953,218.11 (up to 31 May 2021), with details included in Appendix 2 of this report;
- (vii) Agree to delegate authority to the Director of Finance the implementation as necessary of the support package measures as set out in paragraph 4.4.12; and
- (viii) Note the progress with the ongoing development of the transformation project, together with the significant work that is advancing in relation to the new ANGUSalive

Digital 'App', the Angus Sports and Physical Activity Framework and the Angus Cultural Strategy, while opportunities to bid for new UK funding are also being explored.

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 105/21, considered by the Council at its meeting on 18 March 2021; along with Reports 36/21, 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 ANGUSalive 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 ongoing business viability.

3.2 Reference is also made to Report 67/21 and its Annex 1, which presented the review of charges for services delivered by ANGUSalive, along with the proposed 2021/22 budget settlement and an update in relation to the range of Council support measures that are available to provide assistance if required to support ANGUSalive to continue operating as a going concern throughout 2021/22.

3.3 Key background to this report also includes the various announcements and guidance associated with the COVID-19 legislation that have been issued by the Scottish Government thus far during 2021, including the 'Strategic Framework Protection Levels' and information relating to the easing of restrictions. ANGUSalive have continued to comply with that information throughout the pandemic and this report sets out ANGUSalive's approach since the last update report to members in March, including proposed recovery plans over the next few months, subject to the ongoing easing of restrictions and the associated Scottish Government confirmations.

4. CURRENT OPERATING POSITION UPDATE

4.1 Overview

4.1.1 Members will recall that the latest lockdown restrictions (Level 4) commenced on 5 January 2021, resulting in ANGUSalive's main operations being suspended at that time to comply with legislation.

4.1.2 While a gradual return to full time schooling evolved on a phased basis during February, March and April 2021, the country remained in Level 4 restrictions which continued to mean that ANGUSalive could not deliver the majority of its services. Exceptions to this being the provision of a limited Ranger Service at Country Parks and the live streaming of fitness classes via ANGUSalive's newly developed online App (that service commenced in January 2021). In addition, ANGUSalive were able to deliver some outdoor activities during the School Easter holidays to support our young people and continued providing its online Library service.

4.1.3 As of 26 April 2021, the Scottish Government confirmed that all parts of Scotland (with some specific exceptions) could move to Level 3 restrictions. This meant that ANGUSalive could start to re-open some of its services. For example, this allowed ANGUSalive to re-commence

its limited browsing service at all of its Libraries, along with ACCESS face-to-face services, adult group exercise classes (outdoors) and the provision of fitness suite access. The mobile libraries were also able to get back out on the road to serve rural customers.

- 4.1.4 On 17 May 2021, the Scottish Government confirmed that all parts of mainland Scotland (again with some specific exceptions) could move to Level 2 restrictions. This meant that ANGUSalve could re-start more of its services. For example, this has permitted the re-starting of indoor group exercise classes and swimming for both adults & children.
- 4.1.5 The latest Scottish Government information has seen some parts of Scotland (including Angus) move to Level 1 restrictions during June 2021 and potentially to Level 0 restrictions during July 2021. ANGUSalve are therefore developing their re-opening and recovery plans which will see more services re-starting, including for example the potential for indoor and outdoor adult competitive sports. These proposed plans are however subject to COVID-19 infection rates in the Angus local authority area remaining at an acceptable level in order to make those transitions.
- 4.1.6 The full details of services provided during the above periods and up to the time of writing this report, along with proposed recovery plans during June, July and August are included in Appendix 1.
- 4.1.7 It is also highlighted and emphasised that even when reaching Level 0 restrictions, there will continue to be an impact on ANGUSalve operations through the ongoing need to adhere to social distancing and other health & safety requirements which will likely be required for some time to come. Level 0 does not equate to a return to 'normal' as sector specific guidance continues to restrict some activities from being offered or requires changes to how activities are undertaken with the resultant impacts on, for example, attendances or financial practicality of running the service due to limited capacities. Taking cognisance of those matters will continue to impact on the ongoing business viability of ANGUSalve - in particular, reduced income generation. The impact of those restrictions, along with the Council's requirement to achieve savings totalling £460,000 during 2022/23 and 2023/24 through its Change Programme, means that the transformation project requires to be progressed at pace and remains crucial to the future sustainability of the organisation.

4.2 Vaccination Centre Requirements

- 4.2.1 Members may be aware that as part of the country's ongoing response to the COVID-19 pandemic, the Chief Medical Officer has recently issued new guidance in relation to the B.1.617.2 variant which requires an acceleration of the vaccination roll-out programme.
- 4.2.2 This has resulted in the need to identify additional vaccination centres beyond the original plans which were, until now, all contained within healthcare facilities in Angus. To support this accelerated roll-out, the Council was requested by healthcare colleagues to identify potential buildings to be temporarily used as vaccination centres. The buildings identified as most suitable to meet needs have now been identified and confirmed as Reid Hall, Forfar; Arbroath Community Centre; and Montrose Town Hall.
- 4.2.3 These facilities are all operated in normal circumstances by ANGUSalve who have a licence to occupy the facilities. The buildings are still owned by the Council and the licence to occupy includes the option for the Council to step-in and take back control of these buildings if required. The facilities were required to be available starting from Monday 7 June 2021, with opening times from 08:00 to 21:30 Monday to Sunday. As part of the Council's emergency response, the Chief Executive, in consultation with the Director of Infrastructure, therefore confirmed and instructed that the temporary hand-back agreement be signed on behalf of the Council (along with signed acceptance by ANGUSalve's Chief Executive) in order to achieve the required start date. Members are asked to note this action.
- 4.2.4 While similar emergency arrangements have been deployed to support food hubs and mobile testing units at Council facilities in response to the pandemic, these were during the lockdown period and had no consequences on ANGUSalve's business at the time. Unfortunately this

latest use of the three identified buildings as vaccination centres, which is during a period when lockdown restrictions are now easing, has meant that ANGUSalve have been required to cancel a number of firm and provisional bookings at these venues, which had been made in good faith at a time when the current position was unforeseeable. ANGUSalve have therefore been dealing with the individual bookings to work with customers in a constructive manner, recognising the challenging circumstances, and seeking to provide solutions where possible at other ANGUSalve venues. Unfortunately for the customers involved, responding quickly to the public health priority has had to take precedence.

- 4.2.5 While the indications are that the vaccination centres will only be required until early September 2021, there remains a high risk around this date potentially being extended. Accordingly, at this stage, it is proposed that the Council agrees that ANGUSalve should stop taking any bookings at these three venues until the start of the new calendar year in January 2022. This position will remain under review while the longer-term position becomes clearer, and members will be kept informed as part of the next ANGUSalve update report to full Council in September.
- 4.2.6 It is highlighted that the current position and approach to stop taking bookings until the new calendar year in January 2022, will however result in a loss of income for ANGUSalve which will have a further impact on the 'going-concern' viability of the business. The financial implications of this will continue to be monitored closely and considered as part of the Council support measures as set out in section 4.4 below.

4.3 Proposed Temporary Amendments to Services Specification

- 4.3.1 The current temporary operating arrangements as described and set out in Appendix 1 do not fully meet the requirements of the current operational services specification as agreed between the Council and ANGUSalve and as operated prior to COVID-19.
- 4.3.2 Accordingly, members are asked to consider the scope of services currently being delivered as set out in Appendix 1 and agree they can form the content of a formal change notice between the Council and ANGUSalve which will reflect this interim position.
- 4.3.3 Members are reminded that Report 67/21, which was considered and approved at the Special Council budget setting meeting held on 4 March 2021, 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 continue to be kept up to date with the range of services that are being provided as part of future ANGUSalve update reports.

4.4 'Going Concern'/ Financial Position/ Coronavirus Job Retention Scheme (CJRS) Update

Going Concern

- 4.4.1 At this stage, ANGUSalve continues to operate on a going concern basis and continues to trade legally. This remains an important area in light of the ongoing coronavirus circumstances as the ANGUSalve Board need to be assured on an ongoing basis (not just once per year as part of the audit) that the charity can continue to trade legally.
- 4.4.2 As noted in Report 105/21, 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 will cover the 12-month period following the signing of the 2020/21 accounts. This period is therefore expected to be October 2021 to September 2022 inclusive. The existence of the package of Council support measures during the first six 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.
- 4.4.3 As part of the assessment, ANGUSalve's auditors will again require a letter of comfort from the Council's Director of Finance regarding the ongoing support of the Council. For the 2019/20

accounts, the letter required to cover not just the continuation for the foreseeable future of the annual management fee, but also the various elements of the Council support package. It was on this basis that the auditors were able to positively conclude the going concern assessment.

- 4.4.4 Given the ongoing challenges of the COVID recovery period, it is thought likely that the letter of comfort for the 2020/21 accounts will need to provide a similar level of coverage as provided for the 2019/20 accounts. The various elements of the Council support package are however currently only in place until 31 March 2022.
- 4.4.5 ANGUSalve's cash flow forecasts for the current and next financial year are reviewed and refined on a weekly basis and this work will inform both the potential need to access some or all of the Council support package measures as well as the auditors' going concern view.
- 4.4.6 ANGUSalve's accounts are due to be signed on 24 September 2021. Accordingly, as part of the update report to Council on 9 September 2021, members will be asked to consider and approve any amendments to the Council support measures (e.g. extension beyond 31 March 2022) that may be necessary to allow the Director of Finance to issue the letter of comfort and to ensure another positive going concern outcome can be achieved.

Financial Position

- 4.4.7 ANGUSalve's year-end financial position can only be given as an indicative figure at this stage as the final accounts process is ongoing, draft accounts statements are still being prepared and the accounts have yet to be reported to and scrutinised by the ANGUSalve Board.
- 4.4.8 Currently however, an overall group net income (charity and trading companies combined) of circa £990,000 is indicated.
- 4.4.9 Whilst the indicative net income figure will add to the ANGUSalve reserves position, the ANGUSalve Board, at their meeting of 16 April 2021, agreed that £600,000 of the projected year-end net income should be ring-fenced for use as Renewal & Repair (R&R) Fund monies. This level of contribution recognised that the Board had agreed not to make any contribution to the R&R Fund in 2019/20 in order to retain the maximum flexibility to respond to the COVID-19 emergency.
- 4.4.10 Should the year-end position remain as currently projected (net income of circa £990,000), ANGUSalve unrestricted reserves would increase to circa £1.906 million after allowing for the ring-fencing of the R&R Fund.
- 4.4.11 In terms of the 2021/22 cash flow, currently no issues are projected in the first few months of the financial year. From August onwards however, as a result of the effect of reduced income levels due to the ongoing effects of COVID measures and the running down of the CJRS support, several points arise where projected spend exceeds projected income. Cumulatively this currently amounts to circa £1.1 million by 31 March 2022 although forecasting remains a challenge given continued uncertainties in the wider operating environment and the number of assumptions that need to be made based on the information available at this time.
- 4.4.12 It is therefore likely that ANGUSalve will need to draw on at least some of the Council support package measures during the year. Given the current cash flow projection, it's possible that some of that support may be required over the summer recess. The following update is provided in this regard, including proposed delegations to the Director of Finance.

- Flexibility on the timing of Management Fee payments (delegated approval in place)

Report 224/20 to Council on 10 September 2020, delegated authority to the Director of Finance to alter the normal quarterly schedule of Management Fee payments, where this is required to support ANGUSalve's cashflow requirements. This delegation covered both 2020/21 and 2021/22 and remains in place.

- Loss of income funding (delegated approval requested)

£265,000 was received in funding from the Scottish Government's loss of income scheme and this is held within the Council's COVID-19 Contingency Reserve. This was received specifically in relation to ANGUSalve and would therefore be the first funding utilised where ANGUSalve needs support in the form of additional funds and not just a re-profiling of management fee payments.

Officers do not currently have authority to pay out these funds and Council are therefore asked to approve delegation to the Director of Finance to pay these funds to ANGUSalve should the need arise as currently indicated by the cash flow forecasts.

- 2020/21 budget savings (delegated approval requested)

Report 334/20 to Council on 17 December 2020, approved the continued set aside of the £458,000 budget savings that were delivered in 2020/21. This is to be used to top up the 2021/22 Management Fee as required.

Officers do not currently have authority to pay out these funds and Council are therefore asked to approve delegation to the Director of Finance to pay these funds to ANGUSalve should the need arise as currently indicated by the cash flow forecasts.

- Additional cash flow support up to £500,000 (not being sought at this time)

Report 224/20 also approved the availability of £500,000 of cash flow support. The availability of the support was approved out to 31 March 2022 and thus remains in place at this time.

This support measure is available to help manage the peaks and troughs of ANGUSalve's cashflow. This would be on a similar basis to a bank overdraft rather than as additional funding. Thus, any draw on this support would be repayable by ANGUSalve.

The cash flow forecasts do not indicate a need to draw on this support in the short term, although this will be kept under review and reported on further in future update reports.

The delegated authority listed above will, should it require to be used by the Director of Finance, only be applied after careful assessment on a holistic basis of the latest financial performance and projections for ANGUSalve including their Reserves position. Use of these delegated powers will be covered in future update reports.

- 4.4.13 As noted earlier in this report, those Council support measures detailed above, along with the others included in Report 67/21, are only short term 'one-off' measures and there is a continued need to transform the business to be sustainable over the longer term.

Coronavirus Job Retention Scheme (CJRS)

- 4.4.14 Successful applications to obtain the Coronavirus Job Retention Scheme (CJRS) grant funds to the value of £2,474,181.00 for the period to 30 April 2021 have been received by the charity.

Members will recall from report 105/21 that the CJRS was scheduled to end on 30 April 2021 but a further update on wider Covid-19 economic support, including the CJRS, was anticipated as part of the UK Budget announcements on 3 March 2021.

The Chancellor announced an extension to the Coronavirus Job Retention Scheme (CJRS), also known as furlough, from 1 May – 30 September 2021 and Scheme rules for this period.

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

4.4.15 The government contribution towards wages for hours not worked, made through grant support to employers, reduces over time during the CJRS extension period:

- Until 30 June 2021 the CJRS grant remains at 80% up to a maximum of £2,500 per employee per month for unworked hours.
- From 1 July 2021, the CJRS grant will reduce to 70% of furloughed employees' wage costs for unworked hours (capped at £2,187.50 per employee). Pay for furloughed employees must remain at a minimum of 80% for unworked hours which means that ANGUSalve must contribute an additional 10% to achieve this wage.
- From 1 August 2021 until 30 September 2021, the CJRS grant will reduce to 60% of furloughed employees' wage costs for unworked hours (capped at £1,875 per employee). ANGUSalve's contributions will therefore increase to at least 20% since pay for furloughed employees must remain at a minimum of 80%.

Therefore, from July 2021, ANGUSalve will be required to cover a portion of employee wages for hours not worked. This is in addition to paying in full any hours worked as well as the national insurance and pension contributions for all hours, both worked and unworked, that have been incurred since August 2020.

4.4.16 The furlough arrangements approved by the Board for ANGUSalve's salaried employees, coaches and casual workers were in place until the previous CJRS end date of 30 April 2021.

On 16 April 2021 the Board approved the furlough arrangements for the duration of the most recent extension to the CJRS from 1 May – 30 September 2021 and these are outlined below:

- Salaried employees will be covered by furlough arrangements for the entire extension period until the 30 September 2021 and be paid at 100% of their monthly salary when sports facilities can operate to generate income. This means wages will be topped up in these circumstances. If ANGUSalve Sports Centres are closed, all salaried employees will be paid 80% of their monthly salary for any hours not worked.
- Coaches who have completed work for ANGUSalve between 14 September – 12 November 2020 and continue to remain available for work will be covered by furlough arrangements when group activities (e.g. group exercise) are not permitted and be paid at 80% of wages.
- Casual workers who continue to remain available for work with ANGUSalve will be covered by the furlough arrangements and paid at 80% of wages when Angus is in Level 4 (or above), as ANGUSalve's facilities will be closed with no opportunity to offer work.

The flexible furlough arrangements will remain in place for the CJRS extension so employees will be able to do some work for ANGUSalve and when working will be paid their normal wage for those hours. Return to work could be on a part-time basis and this will be determined on business need.

If there is a change to the Coronavirus Job Retention Scheme before 30 September 2021, e.g. employers are required by the UK Government to contribute more, the ANGUSalve Board reserves the right to review if it remains financially viable for the charity to continue the furlough arrangements as outlined above or if they need to be revised based on the latest information.

4.4.17 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 £2,953,218.11 (up to 31 May 2021) and further details are included in Appendix 2. This figure includes £2,474,181.00 funding received via the Coronavirus Job Retention Scheme (CJRS).

- 4.4.18 It continues to be essential for ANGUSalive to maximise support from the CJRS, particularly during periods of enforced closure and reduced opening to comply with government legislation.

Although some income generation channels have now recommenced, most notably bACTIVE membership payments, others like the theatre and venues remain on hold indefinitely. It is also critical to highlight income levels are considerably reduced. The bACTIVE membership is the main source of income generation for the charity and the direct debit payments collected in the first month the sports facilities were open was 60% of revenue achieved pre-pandemic. This is expected to have a continued significant impact on the charity's income throughout 2021/22 and over the longer term not only in the first quarter of the financial year.

5. ANGUSALIVE TRANSFORMATION PROJECT UPDATE

5.1 Overview

- 5.1.1 Report 105/21 highlighted that five action focussed working groups had been established to progress the conversations and opportunities to develop new ways of working emerging from the three Rapid improvement Events involving representatives from a range of Council services, the Angus Health & Social Care Partnership and Voluntary Action Angus.

- 5.1.2 A further Rapid Improvement Event was held on Thursday 20 May 2021 and the progress updates and actions emerging from each of the groups are summarised as follows:

(i) Health & Wellbeing/ Social Prescribing

A formalised plan has now been created including representation from the Council, ANGUSalive, Voluntary Action Angus and the Angus Health and Social Care Partnership. Its recognised that there is significant opportunity to develop better links with the broader third sector across Angus and the group will be using the online locality locator and locality works to investigate how this can be progressed. Focus is also towards opportunities involving social prescribing, online capability/ accessibility and the benefits of ANGUSalive becoming involved in existing developing projects across Angus.

(ii) Schools/ young people opportunities

The working group for this workstream is meeting shortly to build further on the significant collective efforts to develop and prepare an outdoor learning programme which is due to commence week commencing 24 May 2021. ANGUSalive are looking to engage with schools to identify ways of bringing activities to them such as those who were unable to carry out their residential trips this year or assisting with transition events. Discussions have been held with colleagues in the Communities team to consider a wider remit and cohort of young people beyond school pupils moving forward.

(iii) Customer services

This workstream is being accelerated and is closely linked to the development of the Council's Customer Services Strategy. Its outcomes will inform that piece of work concluding next year. Remits have been agreed and include the identification of statutory services, a review of delivery methods from other Local Authorities, identification of new Key Performance Indicators, Options Appraisal and identification of impacts to both the Council and ANGUSalive.

(iv) Future model of service delivery

This workstream includes representation from staff responsible for progressing the Service Design initiative currently being procured. It is recognised that this type of work will be extremely beneficial to the transformation of services required by ANGUSalive following the pandemic. It is proposed that the successful tenderer will work across the

organisation to take forward a number of key projects, like this one, while supporting capacity building across the Council. Tender evaluation will be taking place during June and a better idea of timescales will be available thereafter.

(v) Using buildings differently

A large portion of this work is dependent on the results of the other workstreams to determine the delivery model based on service need. It was however determined that some initial options should be considered mostly surrounding storage and consolidation. To achieve this and to assist with future decisions, work has commenced to create a database of ANGUSalve occupied facilities that will include information such as their specific service and space uses, maintenance requirements, long term investment requirements, common good status, energy costs and other relevant information. This approach will expedite future options appraisal by having key building information readily available.

5.1.3 These groups will continue to progress the actions over the next few months and it is planned to provide a further progress update for members at the Council meeting in September 2021.

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

5.2 New ANGUSalve Digital 'App'

5.2.1 The ANGUSalve App was launched during lockdown in January 2021 with the main purpose at that time being to provide an engagement channel for customers to continue to attend classes either through virtual streamed or on demand classes.

This proved to be a huge success and there have now been over 4,500 downloads of the app with 350 classes being live streamed and 16,500 class attendances.

Since ANGUSalve re-opened the facilities the user experiences with the app have changed in that there are now far less of our users attending virtual classes as they are now able to physically visit the sites. The use of the app however has continued at pace as that is now the preferred way in which customers are making bookings. Since 26 April there have been over 66,000 app opens and 12,000 of these have been to book activities. This compares to 9000 bookings online and 7000 through reception.

Our team are continuing to find ways to develop the app and the next initiative is to build on the successes so far and launch an additional platform to develop the cultural aspect of the organisation.

This platform will provide virtual cultural activities and events for customers covering all age ranges and currently due to Government restrictions is the only way of offering additional core activities to customers. For example:

- Regular children's activities
- Engagement with adult activities including book groups
- Engagement with museum groups
- News developments and events happening within the services

5.3 Development of the Angus Sports and Physical Activity Framework

5.3.1 Following approval by the ANGUSalve Board at their meeting on 18 June 2021, the Angus Sport & Physical Activity Framework will be presented to the Angus Community Planning Partnership on 23 June 2021. The Framework will then be published more widely and shared with interested parties.

5.4 Development of the Angus Cultural Strategy

- 5.4.1 Following approval by the ANGUSalve Board at their meeting on 18 June 2021, the Angus Cultural Strategy will be presented to the Angus Community Planning Partnership on 23 June 2021 and to the Tay Cities Deal Culture & Tourism Theme Board on 12 July 2021. The Strategy will then be published more widely and shared with interested parties.

5.5 UK Funding Opportunities

- 5.5.1 The UK Government initiated discussions in relation to new UK funding opportunities with Scottish local authorities from the new 'Community Renewal Fund' and 'Levelling Up Fund'. ANGUSalve have been involved in high level initial discussions to establish if there are any potential investment opportunities related to the culture and leisure sector which would align with the funding criteria. This is likely to be a highly competitive fund but council officers are also working with colleagues on a pan-Tayside basis, and with key partners in Angus, to establish what may be the art of the possible.

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. There are no other specific financial implications at this time in respect of this update report other than to reiterate the latest issue to emerge relating to loss of income by utilising three ANGUSalve facilities as vaccination centres, as set out earlier in this report.

7. RISK

- 7.1 This report sets out the updated position with ANGUSalve due to the changing circumstances around income generation capability and the progress achieved so far with the transformation required to establish a sustainable business plan moving forward, which has been crystallised by the COVID-19 pandemic.
- 7.2 As highlighted in previous reports and continues to be the case, the cash flow projections are continuing to be 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 the pandemic and the measures to tackle the pandemic progress and further revisions will be necessary on an ongoing basis. It is also emphasised that the financial risk will also increase at the end of September when the furlough scheme comes to an end and all staffing costs shift to be paid by ANGUSalve.
- 7.3 This report also specifically highlights the risk surrounding the temporary use of the Reid Hall, Forfar, Arbroath Community Centre, and Montrose Town Hall, as vaccination centres, in terms of the likely timescale that said buildings will be required and the impact of stopping to take new bookings until January 2022, resulting in ANGUSalve suffering a loss of income as a direct consequence, and the associated impact on 'going-concern' viability. This risk is considered to be manageable and will form part of the ongoing financial cash-flow reviews, including consideration of the requirement for calling on Council support package measures.

8. CONSULTATION

- 8.1 The Chief Executive Officer of ANGUSalve 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.

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.

Report Author: Gordon Cargill, Service Leader (Governance & Change)

Email Details: GovChange@angus.gov.uk

Appendices:

Appendix 1 - ANGUSalve Operational Plans

Appendix 2 – ANGUSalve Successful External Funding Summary