

ANGUS COUNCIL

9 SEPTEMBER 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 following the Scottish Government's lifting of almost all formal lockdown restrictions on 9 August 2021, along with progress and key next steps 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, following the Scottish Government's lifting of almost all formal lockdown restrictions on 9 August 2021, as set out in Appendix 1;
- (ii) Note that while ANGUSalive's short-term re-opening arrangements have unavoidably been tailored to reflect their affordability position meantime, there are also significant opportunities emerging through the Transformation Project which offer optimism for the future;
- (iii) 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;
- (iv) Note the continued requirement for ANGUSalive to temporarily hand back to the Council three facilities (Reid Hall, Forfar; Arbroath Community Centre; and Montrose Town Hall), using the provisions in the licence to occupy agreement, with the purpose of using said facilities to support the ongoing vaccination programme;
- (v) Agree that ANGUSalive should stop taking any bookings at these three venues until the start of the new financial year in April 2022, as noted at section 4.2.2 below, subject to ongoing review of the emerging position with the vaccinations roll-out;
- (vi) Note that agreeing to recommendation (v) above will continue to result in a loss of income for ANGUSalive, estimated to be in the region of £55,000 (over 10 months), and this will continue to be monitored closely and considered as part of the support package measures as set out in section 4.4 below;
- (vii) 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 £3,242,951.30 (up to 13 August 2021), with details included in Appendix 2 of this report;

- (viii) Note that the Coronavirus Job Retention Scheme (CJRS) ends on 30 September 2021;
- (ix) Note the expectation that approaches will be made to the Director of Finance to access some elements of the support package measures set out in section 4.4 below;
- (x) Agree to extend some of the support package measures to 31 March 2023 as well as the delegated authority of the Director of Finance to implement them as necessary, all as set out in section 4.4 below;
- (xi) Note the progress with the ongoing development of the Transformation Project and that the timetable will require to be updated based on the factors outlined in this report, and once firmer information is available on how key aspects of the project will be progressed; and
- (xii) Agree that future update reports will be provided to Council at every second meeting of the timetable of meetings for full Council, unless circumstances dictate otherwise.

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 220/21, considered by the Council at its meeting on 24 June 2021, which was the previous report in the series of reports to full Council keeping members up-to-date with the impact of COVID-19 on ANGUSalve as a going concern, along with 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 ANGUSalve's ongoing business viability.

3.2 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 during the pandemic, including the 'Strategic Framework Protection Levels' and the latest information relating to the lifting of almost all the formal lockdown restrictions.

4. CURRENT OPERATING POSITION UPDATE

4.1 Overview

4.1.1 The dedication of the ANGUSalve team who have continued to work hard in the most challenging of circumstances to successfully restart culture, sport and leisure services so local communities can once again have the opportunity to participate in healthy, active and creative activities is recognised, as is the strong stewardship of the ANGUSalve Executive and Board throughout the pandemic. The local community support of these services, by visiting a venue or using the ANGUSalve app to take part in an activity or event, has been really important and will be essential in the weeks and months ahead.

4.1.2 Members will be aware that the Scottish Government's lockdown restrictions moved to Level 0 on 19 July 2021, and subsequently almost all formal lockdown restrictions were lifted when

the nation moved beyond Level 0 on 9 August 2021, albeit some protections and guidance continues to remain in place.

- 4.1.3 ANGUSalve have continued to develop their re-opening and recovery plans which will see more services re-starting in due course. There will however be limited changes to current service provision between 9 August and 30 September 2021, so that ANGUSalve may continue to maximise funding support from the UK Government's Coronavirus Job Retention Scheme (CJRS) until it finishes at the end of September.
- 4.1.4 The full details of services provided since the previous update report in June, along with proposed service plans beyond 30 September 2021 and the following few months, are included in Appendix 1. Members will continue to be regularly updated with details of the range of services being provided as part of future ANGUSalve update reports.
- 4.1.5 It is also highlighted that although almost all the formal lockdown restrictions have now been lifted, the protections and guidance that continues to remain in place across each sector have not been received from Scottish Government. The impact of these protections and guidance is therefore still unknown at the time of writing. A verbal update will be provided at full Council. Not only will this continue to have an impact on the scope and manner in which ANGUSalve services are delivered, it is anticipated this will also continue to affect the trust's level of income while the remaining restrictions prevail.
- 4.1.6 While ANGUSalve are using best endeavours to re-open their range of services, subject to taking cognisance of any remaining restrictions once the guidance is available, there are also other factors in relation to ANGUSalve's affordability position which have a significant influence on their re-opening and recovery plans. These are as follows:
- Staffing levels have been managed prudently by the trust throughout the pandemic, with a number of vacancies emerging during the period being left unfilled and a reduction in engagement of casual workers. The saving achieved through unfilled vacancies, which equate to almost 21 Full Time Equivalent members of staff across 43 posts, and decrease in casual worker use, currently amounts to around £745k. At this stage, it is not affordable for ANGUSalve to fill these posts or utilise casual workers and therefore only the currently available staff resource has been used when planning for re-opening. The reasons for this are set out in more detail below.
 - As highlighted in previous reports, ANGUSalve's income levels are likely to be significantly reduced, at least in the short term, due to the consequences of the pandemic (e.g. people making different choices due to changed circumstances). The income levels are currently only 60% of pre-COVID income levels in Sport & Leisure, which members will recall provides the majority of self-generated income for the trust. Using this indicator income levels across all other service areas have been estimated to achieve 60% of pre-COVID levels. At this stage of recovery, the organisation therefore has an estimated £1.377m less income to support service delivery overall (on a full year basis). After accounting for the current vacancy saving (£745k), there remains an estimated net budget deficit of £632k, compared to the 2019/20 pre-COVID budget provision. Information available at this time remains limited as services continue to be reopened. Assumptions used in the budget forecasts are consequently subject to substantial fluctuation and will need to be refined for accuracy over time as the situation unfolds and actual income achieved can be used to improve modelling of the financial position in later months.
- 4.1.7 At present it is anticipated for the current financial year (2021/22) that through delivery of the vacancy saving and maximising funding support from the Coronavirus Job Retention Scheme (CJRS) scheme, along with deploying specific 'one-off' Council support measures, ANGUSalve can achieve a breakeven budget position by the year end. This breakeven position is only achievable if the trust uses its existing staff numbers and restricts the scale of services offered. However, future years' income levels and associated service provision needs careful ongoing consideration. Further detail on the going concern and financial aspects is available in section 4.4 below.

- 4.1.8 Members will be aware that the Transformation Project has been initiated to address the above position by examining new ways of working and identifying new potential income streams to support the medium to long-term viability of ANGUSalive. While short-term re-opening arrangements have unavoidably been tailored to reflect the affordability position meantime, there are also significant opportunities emerging through the Transformation Project which offer optimism for the future.
- 4.1.9 For example, ideas are being generated in relation to developing new opportunities for improving mental health and wellbeing, encouraging people of all ages and backgrounds to adopt an active/ healthy lifestyle. This includes a desire to make a mainstream shift towards Social Prescribing. Supporting more schools and young people opportunities through outdoor learning and countryside adventure initiatives are also being explored. These are all areas of potential new demand and business growth, many of them linked to recovery from the pandemic. It is anticipated that ANGUSalive can tailor their service offerings to support working in partnership with Angus Health & Social Care Partnership, Voluntary Action Angus and the Council. There is also potential for new opportunities to support greater community involvement in service delivery and these opportunities are to be actively pursued in partnership with the Council's new Vibrant Communities team. Further information in relation to the Transformation project is included in section 5 below.
- 4.1.10 It is unlikely that ANGUSalive will be able to open more services in the short term, due to the need to continue to hold a substantial amount of posts vacant in order to be able to continue to be a viable business. This means that new income streams are required to enable a change in services being delivered, such as those outlined in para 4.1.8. At present opportunities for Covid recovery funding to support tests of change are being worked up by officers to enable a shift in focus. However, this needs to align with what communities in Angus would like to be prioritised in their areas and it is also proposed to undertake a service design exercise with communities over the next few months to help identify opportunities and new approaches to the delivery of services.

4.2 Vaccination Centre Requirements

- 4.2.1 Members will recall from Report 202/21 that Reid Hall, Forfar; Arbroath Community Centre; and Montrose Town Hall are being used as temporary vaccination centres in Angus, supporting the request from NHS Tayside. These were temporarily handed back to the Council from ANGUSalive (effective from 7 June 2021), who have a licence to occupy these facilities.
- 4.2.2 Initial indications were that the vaccination centres would only be required until early September 2021 although there remained a high risk around this date potentially being extended. Planning for the programme of COVID-19 booster and winter flu vaccinations is underway although future venue requirements are not confirmed. Accordingly, at this stage, it is proposed that the Council agrees that ANGUSalive should extend the period when the trust stops taking any bookings at these three venues from 1 January 2022, the date currently approved by members (Report 220/21 refers), until the start of the new financial year in April 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 ANGUSalive update report to full Council on 4 November 2021.
- 4.2.3 It is highlighted that the current position and approach to stop taking bookings until April 2022, will continue to result in a loss of income for ANGUSalive which will have a further impact on the 'going-concern' viability of the business. This loss is estimated to be in the region of £5,500 average per month across the three facilities, therefore the 10-month period now anticipated (i.e. June 2021 to end March 2022) will represent a loss of around £55,000. This is being raised with colleagues in NHS Tayside.
- 4.2.4 Additionally, ANGUSalive will be 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 as the continued use of the three identified buildings as vaccination centres is during a period when lockdown restrictions are now easing. ANGUSalive will contact every

impacted customer to work with them 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 must continue to take precedence.

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, it is the assessment of ANGUSalve's Finance support that ANGUSalve continues to operate on a going concern basis and continues to trade legally. As per previous reports, this has been (and remains) an important area throughout the pandemic as the ANGUSalve Board need to be assured on an ongoing basis (not just once per year as part of the external audit) that the charity can continue to trade legally. This has therefore been covered at each meeting of the Board which has convened regularly to review the position.
- 4.4.2 As noted in previous reports, the annual external audit process includes a specific assessment of ANGUSalve as a going concern. The 2020/21 audit process has been undertaken over the last few weeks and will conclude with the going concern assessment following consideration of specific aspects of this report at this meeting.
- 4.4.3 The external audit assessment covers a 12-month period following the signing of the accounts later this month. The ANGUSalve board are due to consider and sign the accounts at their meeting on 24 September 2021 and so the 12-month going concern assessment period will be October 2021 to the end of September 2022. The existence of the package of Council support measures over part (or all) of that period will form one of several factors that play a part in determining the outcome of the external audit assessment.
- 4.4.4 In this regard it is important in terms of considering the Council support package to note that the going concern assessment covers 6 months of the current financial year (2021/22) and 6 months of the following financial year (2022/23).
- 4.4.5 ANGUSalve's cash flow forecasts for the current and next financial year are reviewed and refined on a weekly basis. This work will inform both the potential need to access some or all of the Council support package measures as well as the external auditors' going concern view.
- 4.4.6 In respect of 2021/22, the cash flow forecasts indicate a need to access the Council support package at a couple of points of the year, as indicated at section 4.4.14 below. In respect of 2022/23, while cash flow forecasting that far ahead is difficult – especially considering the significant uncertainties around how quickly income levels will recover – the forecast currently indicates a couple of instances where the cash flow would need to be supported on a small scale by the Council.

4.4.7 Additionally, ANGUSalve's auditors will again require a letter of comfort from the Council's Director of Finance regarding the ongoing support of the Council, both in terms of continuing to pay an annual management fee and the Council support package.

4.4.8 To allow the Director of Finance to sign the letter of comfort with appropriate authority, this report requests the Council approve certain extensions to the support package as well as the Director of Finance's delegated authority to implement them as necessary, subject to a holistic assessment of the financial projections where access to the support package is requested from ANGUSalve.

Financial Position

4.4.9 ANGUSalve's 2020/21 year-end financial position can only be given as an indicative figure at this stage as the final accounts external audit process is ongoing.

4.4.10 Based on the external audit work completed to date, an overall group net income (charity and trading companies combined) of circa £968,000 is indicated.

4.4.11 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 year-end net income should be ring-fenced for use as Renewal & Repair (R&R) Fund monies in future years. This level of contribution recognised that the Board had agreed not to make any contribution to the R&R Fund from net income in 2019/20 in order to retain the maximum flexibility to respond to the COVID-19 emergency.

4.4.12 Should the 2020/21 year-end position remain as currently indicated (net income of circa £968,000), ANGUSalve unrestricted reserves would increase to circa £1.884 million after allowing for the ring-fencing of the R&R Fund. The position with ANGUSalve reserves will continue to be monitored closely by the Council as part of the ongoing response to maintain business viability, including compliance with OSCR guidance.

4.4.13 In terms of the 2021/22 financial position, net expenditure of some £632,000 is currently projected. It is reiterated that this is only the case provided the full vacancy saving of £745,000 is delivered through continued non-filling of vacant posts and non-use of casual workers. As narrated elsewhere in this report however, delivery of this vacancy saving does impact on the operations and activities that ANGUSalve can deliver. In the current financial year, the remaining £632,000 projected net expenditure can be addressed through use of one-off measures as described below.

4.4.14 In terms of the 2021/22 cash flow, at the time of writing this report, spend is projected to exceed income in September 2021 and again during January 2022. Cumulatively this is projected to amount to around £500,000 to £600,000. In terms of the 2022/23 cash flow, whilst the issues currently projected are relatively minor, there remains significant uncertainty around how income levels will recover, which is further compounded by the current Change Programme plan to reduce the management fee by £250,000 for 2022/23.

4.4.15 It is therefore currently projected that ANGUSalve will need to draw on some of the Council support package measures to offset the current-year projected cash flow issues. It would also greatly aid the going concern assessment for some of the support package elements to be extended into financial year 2022/23.

4.4.16 The following update is therefore provided for the different support package elements, including any extension being sought to the availability of the package:

- Flexibility on the timing of Management Fee payments (delegated approval in place to 31 March 2022 – not being sought at this time - extension requested)

The Director of Finance has delegated approval to alter the normal quarterly schedule of Management Fee payments, where this is required to support ANGUSalve's cashflow requirements. This delegation is in place until 31 March 2022.

It is not currently anticipated that this flexibility will require to be utilised in the current financial year.

It is though requested that both this measure and the Director of Finance's delegated authority to implement it be extended to 31 March 2023.

- Loss of income funding (delegated approval in place to 31 March 2022 – expected to be utilised in full in current financial year)

£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.

The Director of Finance has delegated approval to pay these funds to ANGUSalve should the need arise (this was approved in Report 220/21).

At the time of writing, a request has been made to access these funds in full to support the cash flow issue projected to arise in September 2021.

- 2020/21 budget savings (delegated approval in place to 31 March 2022 – expected to be utilised in part in current financial year - extension 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.

The Director of Finance has delegated approval to pay these funds to ANGUSalve should the need arise (this was approved in Report 220/21).

It is anticipated that a request will be made to access at least some these funds to support the cash flow issue projected to arise in January 2022.

It is requested that both any remaining balance of this measure and the Director of Finance's delegated authority to implement it be extended to 31 March 2023 to mitigate the significant uncertainties around income recovery.

- 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 up 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 current or next financial years, although this will be kept under review and reported on further in future update reports.

4.4.17 Approaches to access the above support measures will be considered by the Director of Finance on a holistic basis taking account of the latest financial performance and projections for ANGUSalve including their Reserves position. Use of these delegated powers will be reported to Council in future update reports.

- 4.4.18 The support measures detailed above, are however only short term 'one-off' measures and there is a continued need to transform the business to be more sustainable over the longer term.
- 4.4.19 Members are also 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. However, based on the emerging circumstances as set out in this report, it is anticipated that this commitment may also need to extend into financial year 2022/23.
- 4.4.20 In respect of the overall financial performance in the current financial year, whilst net expenditure of £1.377m is currently projected, it is nonetheless expected that at least a breakeven position can be achieved as follows:

	£,000	£,000
Projected net expenditure		1,377
<u>Funded by:</u>		
Coronavirus Job Retention Scheme grant	280	
Lost income scheme (per support package above)	265	
Vacancy Saving	745	
2020/21 budget savings set aside (per support package above)	87	
Total funding to be drawn on		1,377

- 4.4.21 For members' information, it is highlighted that property costs (including energy costs) relating to the facilities operated by ANGUSalve, are held in the Council's Services to Communities budget and administered by the Council as part of its Strategic Commissioning function. During 2020/21, when properties were not used or had limited use during the lockdown periods, there was an accumulative 'one-off' energy saving of £198k for the Council, representing c33% of the associated budget. This saving has, as part of the Council's Annual Accounts process, been added to the Council's uncommitted General Fund Reserve.

Coronavirus Job Retention Scheme (CJRS)

- 4.4.22 Successful applications to obtain Coronavirus Job Retention Scheme (CJRS) grant funds to the value of £2,586,496.19 for the period to 31 July 2021 have been received by the charity.

Members will recall from report 220/21 that the CJRS, also known as furlough, will now end on 30 September 2021. Two further CJRS claims are expected to be made to cover the remainder of the Scheme and estimates are incorporated in the charity's cash flow projections.

Flexible furlough arrangements have remained in place for the CJRS extension from 1 May to 30 September 2021 and this has assisted ANGUSalve to continue to maximise support from the CJRS. However, whilst it continues to be important, this is now more challenging given the requirement to balance the financial assistance available with the reopening of services for citizens from 26 April 2021.

The reduction in CJRS grant support as a result of more employees being back at work is illustrated by the change in the claim value during 2021. An average of £215,000 was received each month from January – March 2021 but only £280,000 is estimated to be claimed in total for the six months from April – September 2021.

In addition, the government contribution towards wages for hours not worked, made through grant support to employers, reduces over time during the CJRS extension period and the employer contribution increases.

Therefore, since July 2021, ANGUSalve has been 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.

Under the furlough arrangements agreed by the Board of Directors for the extension to the CJRS from 1 May – 30 September 2021, salaried employees have been paid at 100% of their monthly salary from 1 May. ANGUSalve will continue to top up wages until the Scheme ends on 30 September 2021 if the trust's Sports Centres remain open.

Coaches and casual workers are not currently receiving furlough as group activities (e.g. group exercise) are permitted and Angus is not in Level 4 (or above). Furlough arrangements agreed by the Board of Directors, as detailed in report 220/21, will apply if the position changes.

- 4.4.23 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 £3,242,951.30 (up to 13 August 2021) and further details are included in Appendix 2. This figure includes £2,586,496.19 funding received via the Coronavirus Job Retention Scheme (CJRS).

5. ANGUSALIVE TRANSFORMATION PROJECT UPDATE

5.1 Overview

- 5.1.1 As highlighted earlier in this report, significant effort is being made via the Transformation Project to re-imagine and re-design the range of services that ANGUSalve provides. Accordingly, this is a significant opportunity to work closely with partners and communities to re-build a sustainable business model that is aligned with citizen's needs/ demands, with ANGUSalve's business plan developed to complement the priorities set out in our range of strategic plans, making the most of all potential partnership/ collaborative opportunities going forward.
- 5.1.2 The new Service Design approach to developing/ transforming services, is also now emerging as a method for taking forward that work in partnership with citizens/ communities. These opportunities are to be actively pursued in partnership with the Council's new Vibrant Communities team.
- 5.1.3 Accordingly, the Transformation Project offers optimism for the future. Achieving the potential from this may however take longer than originally envisaged, and during that period, ANGUSalve's service delivery model will largely be dictated by ongoing affordability parameters. Members will therefore continue to be updated through regular update reports reflecting the level of services being provided.
- 5.1.4 The timetable for the Transformation Project that was included in Report 36/21 will require to be updated based on the factors outlined in this report, and once firmer information is available on how key aspects of the project will be progressed. This will be dependent upon the planning of the service design work which is to be progressed in partnership with the Vibrant Communities team.
- 5.1.5 In terms of future reports for Council, it is proposed to provide updates to every second meeting of the timetable of meetings for full Council, so that members continue to be kept up-to-date with the latest developments, unless emerging circumstances dictate otherwise.

5.2 Workstream Updates

- 5.2.1 Since the previous report, development work has continued in relation to each of the five workstreams. The latest position in relation to each workstream is as follows:

- (i) Health & Wellbeing/ Social Prescribing

Multiple avenues of opportunity to develop services in this area in line with recovery plans are currently being developed with partners. This includes falls prevention,

digital, GP prescribing, obesity and dietetics, mental health and wellbeing. A test of change project is being designed to ensure that ANGUSalive is well placed to meet the emerging health and wellbeing needs of our communities, including a focus on preventative approaches to tackling some of the most entrenched public health issues faced by people. This will involve a shift in the way health services are delivered over time to a more community-based setting in areas such as GP prescribing, Physiotherapy and Occupational Health services. In addition, it is anticipated that mental health services will be fully explored in relation to how culture and leisure activities can help mitigate some of the harms as a result of the pandemic.

(ii) Schools/ young people opportunities

ANGUSalive along with Education and Lifelong Learning colleagues have worked closely in the lead up to summer holidays to provide opportunities for schools to utilise outdoor activities in light of COVID-19 restrictions. Work is continuing to develop opportunities around the 'Get Into Summer' programme, Pupil Equity Funding (PEF) utilised by Angus schools and how this funding can be maximised alongside other funding opportunities which may arise. Discussions are underway to look at the opportunities presented by outdoor learning in particular.

(iii) Customer services

Engagement has continued across Council services and ANGUSalive representatives. Ongoing service delivery is being monitored and a feedback questionnaire developed to capture customers current and anticipated future needs from the service. This engagement opportunity will be included as part of community consultation to be planned in partnership with the Council's new Vibrant Communities team. This will include a look at libraries and council service access arrangements.

(iv) Future model of service delivery

Following award of the Service Design contract currently being commissioned by the Council, this workstream will broaden with opportunities explored involving key engagement with our communities. Currently ANGUSalive officers are monitoring service provision and evaluating its delivery against their evolving financial position. It is considered vitally important to engage with communities in the future of culture and leisure services in their area.

(v) Using buildings differently

ANGUSalive officers are currently outlining information on how they utilise the space within the buildings they occupy. This information will be used to inform options developed in partnership with the Council's Vibrant Communities team to best meet the needs of our customers. Current efficiency opportunities are also being considered at a feasibility level involving storage of the Council's assets and collections.

5.3 ANGUSalive Business Plan Development

5.3.1 The development of ANGUSalive's business plan is in progress and has been informed by the ANGUSalive Board Development Session held on 30 July 2021. The business plan will be reviewed by the Board at their meeting on 24 September 2021 in preparation for submission to Angus Council during October 2021.

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

5.4 New ANGUSalive Digital 'App'

5.4.1 The culture club is now available on the ANGUSalive app as the trust builds on the initial success of the platform within sport and leisure.

Customers have enjoyed live streaming of regular children's activities since the culture club launched on 12 July 2021 and the on-demand library went live on 13 August 2021. Planned future developments will provide virtual cultural activities and events for customers covering all age ranges.

In addition, the ANGUSalive app can be used by customers to access the following services at a time and in a manner most convenient to them:

- registration to join as a library member
- digital library (Libby) to borrow ebooks, audiobooks and more
- online catalogue to reserve titles, use reference sites or ancestry.com and check out what's on across ANGUSalive
- library, museum, gallery and archive site information - including opening times, contact details, address, location map and venue overview
- online ticketing to book in-person activities and events when these can resume
- details about how to support the charity through a donation, volunteering or shopping at AmazonSmile
- opportunity to provide customer feedback – compliments, comments and complaints

5.5 Funding Opportunities

- 5.5.1 Discussions are ongoing relating to funding opportunities that may emerge for ANGUSalive. Members will be updated once more information is available.

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 ANGUSalive facilities as vaccination centres, as set out earlier in this report.

7. RISK

- 7.1 This report sets out the updated position with ANGUSalive 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 2021 when the furlough scheme comes to an end and all staffing costs shift to be paid by ANGUSalive.
- 7.3 This report also specifically highlights the ongoing 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 April 2022, resulting in ANGUSalive 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