

**ANGUS COUNCIL**

**ANGUS COUNCIL – 3 NOVEMBER 2022**

**ANGUSALIVE: TRANSFORMATION PROGRAMME UPDATE**

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

**ABSTRACT**

This report presents an update in relation to ANGUSalive's Transformation Programme which is being progressed in partnership with the Council to support the organisation in working towards a sustainable long-term future. The report includes details of the range of proposals which, in some cases, are now at a stage in their development that requires Council consideration/approval to proceed. It also sets out the principles of the Council's strategic direction for ANGUSalive, which will assist the organisation progress in a way that is closely aligned to the Council's needs going forward.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Council:

- (i) Note the overall scope and content that is emerging as part of the ANGUSalive Transformation Programme, as outlined in section 5 below;
- (ii) Agree the principles for the future strategic direction of ANGUSalive as set out in section 5.1.1 below, to ensure that ANGUSalive's forthcoming business plan and update to the services specification are aligned with the Council's latest requirements;
- (iii) Note the latest position with the temporary vaccination centres, as set out in section 5.1.6 below;
- (iv) Agree to the initial proposals that currently require Council consideration/ approval, as set out in section 5.2.2 below, which require interim changes to the services specification and agree they can form the content of a formal change notice between the Council and ANGUSalive, summarised as follows:
  - Permanent integration of Arbroath Library/ ACCESS Services, and removal of the existing ACCESS office building from ANGUSalive's licence to occupy agreement;
  - New approach to Digital Training Services;
  - Updated Venue Operating Hours (Appendix 2 refers);
- (v) Agree to the initial proposals that currently require Council consideration/ approval, as set out in section 5.2.3 below (without requirement for interim changes to service specification), summarised as follows:
  - Engage Communities to explore opportunities for involvement in service delivery;
- (vi) Note the progress with the Monifieth Community Hub & Library integration project (Report 313/22 also refers);

- (vii) Agree to delegate authority to the Director of Strategic Policy, Transformation & Public Sector Reform to approve any non-material changes to venue opening hours set out in Appendix 2, in order to expedite minor operational changes requested by ANGUSalive; and
- (viii) Note that further ANGUSalive reports will be brought to the Communities Committee, unless there is a specific requirement for consideration of a report by either the Policy & Resources Committee or full Council.

## **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 Delivering culture, sport and leisure services through an arms-length external organisation (ALEO) can have several benefits for the Council. ANGUSalive was therefore established by the Council and commenced operating on 1 December 2015. The Council is the sole owner of the organisation which is a registered Scottish charity and a company limited by guarantee (note that the terms “Charity” and “Trust” are used as alternative references to ANGUSalive throughout this report). It must therefore operate and be governed in a manner which is consistent with its charitable purposes and deliver public benefit.

3.2 Benefits derived by adopting this model of service delivery include an annual saving for the Council of circa £1.5m from receipt of charitable rates relief on non-domestic rates, along with opportunities to attract external funding and commercial revenue growth which otherwise may not be available.

3.3 ANGUSalive is funded in part by income generated from sales, fees and charges combined with grants and contributions. The Charity also has a trading subsidiary which undertakes all activities which are not directly linked to the charitable objectives (e.g., café, merchandise provision). The Charity also receives an annual management fee from the Council to part fund the services provided. In 2019/20, the last financial year just prior to the pandemic, around 55% of revenue was achieved through income generation by the Charity with the remaining 45% of revenue received as management fee from the Council.

3.4 ANGUSalive has a Board that comprises nine members. Five of the members are independent of the Council and four are elected members nominated by the Council to govern the organisation. Board members do not receive any remuneration for their work and all Board members require to act in the best interests of the charity. The commitment and achievements of the Board is acknowledged, and it is important that the relationship between the Council and ANGUSalive Board is nurtured during the challenging period ahead. Given the financial constraints faced by both organisations, it is necessary for the Council to be clear about its guiding principles and priorities for services provision from ANGUSalive as budgets contract. The ANGUSalive Board requires confirmation of the guiding principles and priorities to inform its strategic decision making about the future direction of the charity.

3.5 An impact of the pandemic is that ANGUSalive’s income generation has significantly reduced compared to pre-pandemic levels. Income levels may not return to ‘normal’ without intervention to change the business model, at least in the short to medium term. Members will also be aware that recovery from the pandemic has been challenging due to the various lockdowns, social distancing and ventilation restrictions. ANGUSalive has responded well to these

circumstances, including accelerating their digital offering with more apps allowing people to access some services from their own home, using new approaches such as 'click & collect' library services, and introduction of new technology within libraries and sport & leisure venues to enhance self-service options for customers. The Trust does however need to fundamentally transform to remain sustainable into the future and ANGUSalve had already indicated to the Council prior to the pandemic that culture, sport and leisure services would need to be creatively reimaged by the two organisations working in partnership to realise additional savings in future years given the revised financial envelope available to deliver these public services. This situation has now been further compounded by more recent events, including for example pay award, energy price fluctuations and cost of living crisis.

- 3.6 Officers from Angus Council and ANGUSalve have therefore been working in partnership over the last two years to develop a transformation programme. Progress with this has been reported to members in the series of reports to Council which commenced in September 2020, and these have been listed as background papers at the end of this latest report.
- 3.7 These reports have recognised the savings already achieved by ANGUSalve from 2015/16 to 2019/20. They also emphasised the need for ANGUSalve to continue to transform in order to meet the further savings targets included in the Council's Change Programme. These savings are intended to reduce the level of management fee paid to ANGUSalve and currently include £285k in 2022/23; £210k in 2023/24; and £500k in 2024/25, with further savings continuing into future years. Ideally, ANGUSalve will require to become a self-sustaining organisation, although it is recognised this will be difficult to achieve without significant changes being made due to the combination of services delivered by the charity, many of which are provided free at the point of use.
- 3.8 At the Council meeting on 8 September 2022, a further update report was available for members to consider, however a motion was agreed to only consider recommendations (vii) and (viii) of that report (Report 312/22 refers). The Council subsequently agreed those two recommendations covering procurement authority for the supply and installation of equipment and to extend some of the support package measures up to 31 March 2024.

#### **4. CURRENT POSITION**

- 4.1 The ANGUSalve Transformation Programme has been established to identify and progress the changes needed to find solutions which will enable the charity to operate within a sustainable budget position over the longer term. It is important to highlight that the transformation work is also focussed on service developments, transforming to better meet the changing needs of customers and respond to the market and data, in addition to addressing the financial challenges. The ANGUSalve Board and Executive Team responded quickly and effectively, to provide responsible financial stewardship of the charity through a very difficult time for the nation and the county. Short to medium term financial support measures have also been put in place by the Council to ensure ANGUSalve continues as a 'going-concern' over this challenging period, while the ANGUSalve Transformation Programme evolves to establish a long-term, sustainable future for the organisation.
- 4.2 The impact of the pandemic on the ANGUSalve business model has also highlighted the need for the Council to provide clarity in terms of its guiding principles and priorities for culture, sport and leisure services commissioned from ANGUSalve. The external landscape that the Council operates within has changed since the Trust was established in 2015, and the services to be delivered by ANGUSalve in future now need to be considered and aligned with the current Council and Community Plan.
- 4.3 ANGUSalve's performance information highlights areas for improvement on several national indicators compared to other council areas in terms of costs although members should also note satisfaction levels for the services delivered by ANGUSalve are in the top third compared to other local authority areas. This means that the costs look high in comparison to other Council areas. This could be due to the number of staff vacancies Angusalve are currently holding and treatment of furlough payments in 2020/21. To help improve this performance and demonstrate a true picture, it is proposed to baseline the staffing position in line with the

updated venue operating hours outlined in Appendix 2. This is reflected in subsidised service provision at the majority of ANGUSalive's facilities. The Council's ability to support that ongoing subsidy in this area of service provision is no longer viable based on the challenging financial position and fiscal outlook. This reinforces the need for transforming the business, with greater focus on commercial revenue growth, tailoring services to viable demand and management of the associated performance.

## **5. PROPOSALS**

### **5.1 ANGUSalive Transformation Programme**

#### **5.1.1 Partnership/ Collaborative Approach**

ANGUSalive's Transformation Programme has been developed through collaborative working between officers of ANGUSalive, a wide range of Council services and key partners, including Angus Health & Social Care Partnership and Voluntary Action Angus. A series of 'Rapid Improvement Events' and service opportunity workshops were held to create the vision to support a transformational approach to service delivery moving forward.

The transformation themes emerging from those sessions have been considered from a strategic perspective to ensure that ANGUSalive are supported in shaping the transformation programme in a way that aligns with the future needs of the Council. Indeed, providing greater clarity about the Council's priorities for culture, sport and leisure services within the reduced budget available has never been more important. Members are therefore requested to consider the key strategic requirements of the Council going forward, framed for clarity of purpose for ANGUSalive who will be required to:

#### **(i) Health & Wellbeing/ Social Prescribing**

- Work strategically with Angus Health & Social Care Partnership and Voluntary Action Angus to identify opportunities to tailor their service offering to focus on improving health & wellbeing outcomes linked to prevention/ early intervention, making best use of all the venues/ facilities made available from the Council via the licence to occupy, and in doing so support the delivery of the relevant aspects of these organisations' strategic plan priorities and associated outcomes.

#### **(ii) Schools/ Young People Opportunities**

- Engage with all early learning settings, primary and secondary schools across Angus to support delivery of sports/ leisure and outdoor learning activities, maximising the range and diversity of opportunities available, supported with Pupil Equity Funding (PEF) and other available funding sources.

#### **(iii) Customer Services**

- Support development and introduction of new and innovative ways of delivering face-to-face ACCESS services to best meet customer demand, dovetailing with the Council's overall customer services requirements currently being reviewed via its Service Design and other initiatives.

#### **(iv) Future Model of Service Delivery**

- Continue to make a contribution towards reducing child poverty, improving mental health and wellbeing, accessibility and connectivity to support the delivery of the Community Planning Partnership priorities – this will involve working more closely with all the community planning partners to together provide greater focussed support in future years, and include initiatives aimed at achieving Scotland's Net Zero by 2045 emissions target.

- Lead the implementation of the Angus Cultural Strategy, engaging with providers across Angus to build on the excellent cultural offering across Angus.
- Maintain close liaison with the Council's Vibrant Communities & Sustainable Growth Directorate and tourism partners across Angus to support the development of the tourism sector in Angus, including tailoring its service offerings to meet the needs of the Council and customer demand.
- Establish an approach within the organisation that can support maximising potential opportunities from all relevant external funding sources, including having a wide range of 'oven-ready' bids available at short notice in consultation with Angus Council.

(v) Using Buildings Differently

- Identify and develop additional commercial income generation opportunities through innovation/ creative approaches that are likely to generate new customer income streams which are necessary to subsidise free at point of use services.
- Work with the Council's Vibrant Communities & Sustainable Growth Directorate to engage with community groups to potentially design/ establish new operating solutions, including the potential to use community groups of interest and volunteers to support service delivery.
- Provide proposals in relation to spending its Renewal & Repairs fund and Council Capital spending provision as part of its annual Business Plan for forthcoming financial years.

This provides the strategic direction which the Council requires the transformation programme to focus on under each of the themes. It is anticipated that ANGUSalve will integrate these requirements into their five service areas and tailor them as part of the transformation delivery agenda. The following provides further information in relation to some of the background rationale, along with key elements of the opportunities and initiatives that are being explored/ progressed under the five themes.

#### 5.1.2 Health & Wellbeing/ Social Prescribing

The Covid pandemic has affected health and wellbeing across the world – it has also created the watershed needed to transform previous ways of working. ANGUSalve has responded well to the pandemic on an operational basis following national guidance, but as our communities recover from the pandemic, there is now an opportunity to think differently about what the organisation can contribute to improving the health and wellbeing of people across Angus.

Angus Council has set aside £250k from its Covid resources and this has been matched by Angus Health and Social Care Partnership and ANGUSalve who have each contributed £125k to develop a 'test-of-change' project that will seek to evidence the benefits of supporting communities to access preventative health services locally, supporting people to live at home and reduce hospital admissions. This initiative is in the early planning stages however the high-level health related benefits being targeted include:

- Reduction in mental health referrals
- Reduction in obesity and related health issues
- Reduction in prescription costs
- Increased community activity and engagement
- Provision of an evidence-based case for long-term investment and securing funding opportunities for ongoing provision of services to help citizens to prevent, manage and recover (as appropriate) from illness and injury using the most appropriate blend of services across partners

It is intended that over the next two to three years, these community health services will be available in our leisure facilities and that the evolving evidence base will help demonstrate the need to permanently shift resources from the health care system into more preventative locally based approaches, focused on improving both physical and mental health and reducing the need over time for costly primary and hospital care.

Significant investment is already being made by ANGUSalve from their Repairs & Renewal (R&R) funds in improving equipment in the gyms, along with upgrading the lighting and the layouts (Appendix 3 refers). The next phase of R&R fund investment is now in progress and this will bring the total investment in new equipment to around £1.3m. A breakdown of the investment at the various sports centre venues, along with the latest performance information relating to the facilities where the upgrading has been completed, is included in Appendix 4.

It therefore is essential to maximise the return on this investment by supporting referrals from GPs, social prescribers, and other healthcare professionals towards maximising use of these facilities. Of course, referral pathways to other ANGUSalve services may also be an option (e.g., outdoor activities via Countryside Adventure).

Complementing this work, ANGUSalve are also reviewing their membership offerings in general with incentives and further accessibility offerings through their mobile app and social media channels. This area of work has also been expanded through their development and co-ordination of the Sport & Physical Framework for Angus and their contributions to the “Get into Summer” and “Child Healthy Weight” initiatives.

#### 5.1.3 Schools/ Young People Opportunities

A key area for increasing business for the Trust is to support schools, primarily through the links with leisure opportunities Physical Education is a mandatory area of the school curriculum and all of our primary children participate in a swimming programme. The integration of sport & leisure services in Arbroath, Brechin, Forfar, Kirriemuir and Montrose provide opportunities to achieve the benefits that can arise from an integrated approach with schools having direct access to the facilities and pools. There is a need to continue to balance this provision with the needs of communities more widely and understanding when sport & leisure services are open to the public, clubs and schools is a vital aspect for planning future services.

However, ANGUSalve have the unique position of maximising the use of these swimming pool facilities and promoting this widely to encourage participation and maximise use to benefit citizens of all ages across Angus. Current initiatives include swimming lesson programmes for adults and children, lane swimming, family swimming, aqua aerobics, fun sessions and local club access. While other ALEOs are considering closing/ temporarily closing their swimming facilities, the model of relationship between the Council and ANGUSalve continues to support this provision in the face of significantly increased energy costs.

Outdoor learning is a part of the school curriculum and work is underway to look at opportunities for local provision within our country parks as part of the transformation programme. This work is being aligned to additional council priorities aimed at tackling climate change, embracing biodiversity, and understanding of plants, trees and forest creatures.

Connected to this, ANGUSalve have been working with the Council and external consultants in developing a masterplan for the future vision of Crombie and Monikie Country Parks. This engagement, which has included input from ANGUSalve and key Council services, will be a catalyst for future proposals and funding bids towards enhancing our local offering. The piece of work is considering future opportunities such as active travel links between the parks and creating the platform for potential future investment discussions on a pan-Tayside basis. The final report is currently being concluded and next steps will be considered once that information is available.

ANGUSalve also have the opportunity to work in closer partnership with our schools as a local provider of outdoor services – this has already commenced within the Monifieth schools cluster and all high schools through Covid Recovery funding. The ANGUSalve team has been working

with teachers across Angus to design learning and activity programmes best meeting the needs of young people within the scope of this funding. There is now further scope to extend this by supporting schools to identify new learning opportunities using portions of their Pupil Equity Funds (PEF) while generating new income streams for ANGUSalive.

ANGUSalive also have the opportunity to expand equalities opportunities by utilising available grant funding support. Recently this included various projects such as “Get into Summer” “Horizon’s” memberships for looked after children and the “Child Healthy Weight” initiative. Participatory Budget funding was also secured in Arbroath to provide 50 funded 12-month memberships for candidates identified by Angus Active Schools. Out-with Arbroath flexible winter funding secured through Angus Council has been used to support 250 funded 3-month memberships across the rest of Angus. ANGUSalive is continuing to grow this aspect of their business to support some of the most vulnerable young people in our communities.

#### 5.1.4 Customer Services

ANGUSalive provides the face-to-face ACCESS service for Angus Council. A Service Design project is currently underway within the Council to explore customer service and, although this face-to-face aspect of the service is not currently included in the scope of that ongoing work, ANGUSalive is linking with the project to understand if there will be any related implications for face-to-face ACCESS service delivery from any potential changes.

One of the proposals in the transformation programme is to finalise the integration of face-to-face ACCESS services in Arbroath with the library provision as per the approach in all other communities across Angus. The integrated approach has proven to be really beneficial from both an ANGUSalive operational perspective and providing a better customer experience overall, with the range of opportunities available for customers using the integrated facilities being much broader. The pilot integration commenced during the pandemic to explore feedback from staff and customers and is currently ongoing. ANGUSalive have recently completed a survey of ACCESS customers at Arbroath Library and the findings are included in Appendix 1. The outcome of the survey supports this being a permanent solution and, if members agree to this proposal, ANGUSalive will vacate the current ACCESS office at the Old Parish Church building in Kirk Square currently owned by the Common Good Fund and will relocate ACCESS services to the Arbroath Library building. This will have the added benefit of the ability to deploy library staff differently that will also support a change to the opening hours across Angus, as outlined in Appendix 2.

If members agree to this proposal, the transitional arrangements between the Council General Fund, which currently supports the running costs of the Old Parish Church building, and Common Good will be managed in accordance with the policy position agreed in Report 138/21. This means that a one-year transfer period will apply during which the Council's General Fund continues to hold tenant financial responsibility. During this period the future use of the asset will be determined through consultation/ reporting to Council and a decision made on what the Common Good wishes to happen with the asset. After this period all financial responsibility reverts to the Common Good. The financial implications are included in section 6.3 below.

Early design work to examine the feasibility of investing in changes to the current Arbroath Library layout have been initiated with the Council's Assets team. Designs to support integrated library and ACCESS services will be developed if members are in agreement to the integration proposal. Changes to the current layout will be examined to support the varying needs of customers, including feedback from the survey, and improvements will likely reflect some of the successful solutions at Carnoustie and Montrose Libraries. This will in particular seek to improve current privacy arrangements to ensure there is suitable space to accommodate confidential discussions with citizens. Implementation of this investment would be subject to future agreement on the use of funding through the Council's Capital Plan for this purpose unless alternative external funding provision can be sourced.

A new model of digital service delivery has been implemented in libraries for people to check in and check out their own books. Mobile apps delivering emagazine, ebook, digital audio book

and newspaper services have also become a part of the services offered by ANGUSalive. Apps that offer live and on demand exercise sessions, along with ability to book a class, take out a membership and check-in for a session on site were developed during Covid. Internet access to some archive materials and theatre shows are also a feature of a forward-looking organisation making best use of new digital technologies. The transformation programme supports further development and expansion of that digital offering.

As part of the original Services Specification, ANGUSalive are required to promote digital inclusion and have historically provided digital training services as part of its customer service offerings. The marketplace has however evolved with digital learning opportunities now also available from other providers - including Dundee & Angus College, DWP, Angus Council Vibrant Communities Team, Voluntary Action Angus or third sector organisations - resulting in duplication of service. It is no longer cost effective for ANGUSalive to continue to provide digital learning using the current model and in future ANGUSalive will work together with local, regional, and national partners to facilitate delivery of a range of high-quality digital learning activities for Angus communities. Informal digital support will continue to be provided across all libraries via ANGUSalive's Information Advisors.

#### 5.1.5 Future Model of Service Delivery

It is now timely to review the future model of service delivery for ANGUSalive due to recent changes with new elected members being appointed to the Board and more clarity emerging on the financial position of the organisation recovering from the impact of the pandemic and necessary reductions in the management fee through the Council's Change Programme.

It is highlighted that members previously agreed to the current venue opening times for the period up to 31 March 2023 (Report 38/22 refers). ANGUSalive is currently carrying £633k worth of vacant posts, including some posts that can be given up as part of the transition required to achieve savings in the Change Programme. It is now proposed to baseline the venue opening hours position to deliver the £285k management fee saving for 2022/23 on a recurring basis and contribute towards the £210k required in 2023/24. This will require members to agree the latest update to the venue operating hours provision as set out in Appendix 2. These include extending current opening times at a number of sports venues, and increased Library venue opening hours. Some staffing related matters will require to be worked through (section 7.2 below refers). Operating hours at venues would then be reviewed on an annual basis.

Baselining the venue opening hours would allow for a true position to emerge around income and expenditure levels, as well as providing more accurate performance data to inform future decision making. An overall review of charges for ANGUSalive services is an inevitable outcome from implementing some of the proposed transformational aspects of the business of the Trust, and this is being progressed in readiness for the Council budget setting meeting in February/ March 2023.

At present there is still £458k set aside in the reserves budget to cover any one-off needs that the Trust may need to cover relating to any ongoing reduced income risk, alongside a sum of £265k in lost income funding due to Covid that can be utilised to help close any emerging gap in the Trust's funds for this year or next year while the business continues to recover and transform. Provisions may also need to be made for one off costs that will be incurred to deliver the changes to the business model required to operate with the revised financial envelope. It may be necessary to supplement these funds further and if that is the case a further report will be brought to Council for consideration.

ANGUSalive have also been reviewing their cultural offering through our museums, galleries and archives, linked to the over-arching aims set out within the Angus Cultural Strategy. This has included seeking funding opportunities to investigate and understand how the current provision can be enhanced. After a successful bid for a grant from the Museum Galleries Scotland ALEO Development Fund, ANGUSalive commissioned Studioarc and Jura Consultants to review the development potential across the museums and galleries across Angus. The consultants considered each site independently reviewing the collections, existing



visitor market, location, and the buildings. A visitor market appraisal was also undertaken and indicated that there is significant potential to attract more visitors to some sites.

As part of the Tay Cities Deal, ANGUSalive are also involved in the ambitious Tay Adventures programme. The Signal Tower Museum features in this project and it is expected that further improvements will be made to the museum with access to this funding. This would link with other tourism related initiatives taking place in Arbroath. ANGUSalive continued to source funding in the intervening years to complete some phases of the project to develop the visitor attraction and these will count towards the match funding required by Tay Cities.

ANGUSalive are also investigating the introduction of specialised cataloguing software to support museums, galleries and archives to document the Angus Council collections and increasing public accessibility to the collection which ANGUSalive cares for and manages on behalf of the people of Angus. This is aimed at making the Angus Council collections available to a wider audience, encourage public engagement, and enhance the monetisation of collections. Angus' heritage services have never successfully hosted collections online in a searchable way, nor in a way that allows the public to search across various disciplines' collections to locate items of interest. This project will help achieve this goal.

#### 5.1.6 Using Buildings Differently

A pilot exercise is underway in Monifieth where proposals have been developed to integrate the library/ ACCESS service with the Monifieth Community Resource Groups new build Community Hub facility. Members recently considered a report providing an update on costs, funding and outcomes from a recent consultation on the proposals ([Report 313/22](#) refers) and agreed to progress this ambitious initiative, subject to a number of conditions being addressed. This innovative project could potentially also create the stimulus to look at how a similar integrated model could be explored in other communities in Angus where a collaborative/ partnership approach may provide a more sustainable solution over the longer term.

Indeed, ANGUSalive will be developing a consultation strategy to explore opportunities to engage communities across the county who may be willing to help develop integrated services be they libraries, museums, or town halls to see these valued services continue to thrive. This is the transformational approach that is recommended to members, rather than the pursuit of closure of important community facilities. Transforming the business through increased commercial approaches to offset the financial deficit, supported by local volunteering activity is proposed in the first instance.

As presented to Council previously, three of ANGUSalive's facilities have been heavily utilised during the pandemic to support the NHS Covid vaccination programme. Since the update was provided to full Council on 30 June 2022 (Report 181/22 refers), it has been confirmed that vaccination provision in Forfar will commence from the Montrose Road Centre on 17 October 2022. The new vaccination centre in Arbroath is the Arbroath Town Mission Centre although the date when vaccination provision in Arbroath will commence from there has still to be confirmed at this time. The Reid Hall, Forfar and Arbroath Community Centre venues will be available for letting by ANGUSalive once remedial works in these facilities have been completed. Vaccination centre provision will continue meantime in the Town Hall, Montrose up until 31 March 2023, subject to identification of a suitable alternative by NHS Tayside.

Future town hall provision will be explored as part of the community engagement noted above and any options considered when more clarity about the continued need for vaccination centres is known.

As the custodian for the Council's archives and local history collections, ANGUSalive have cared for these within multiple facilities provided to them for occupation by the Council (i.e. The Yard, Forfar; The Mart Forfar; and The Hunter Library, Restenneth, by Forfar). As time has gone on these collections have grown and it has been recognised that the provided facilities are no longer suitable to house and preserve these historically significant items. ANGUSalive have therefore re-launched an internal feasibility study on providing a fit for purpose facility to securely house the archives and collections called the Angus Heritage

Research Centre (AHRC) – this had been initiated prior to the pandemic but progress was then paused so business needs could be reassessed in light of the new operating and financial environment of the recovery period and beyond. This study included considerations around research, inspirational learning, access and shared community space and functions. Prior to the pandemic this study reached the position of developing an outline design brief with support from the Council and hub East Central Scotland. ANGUSalve plan to develop this proposal further although it will require support from various partners and external funders to allow it to develop to a stage where significant funding opportunities can be identified and pursued.

ANGUSalve are also looking to maximise the use of redundant or underutilised spaces across the Council properties they occupy to deliver sport & leisure services. This is with an intention to create more functional spaces such as wellbeing studios, HIIT studios, Spin studios or functional training space to expand on the offerings to our communities, while also generating new income. There will be a need to understand changing demand to inform the development of these future services.

## 5.2 Proposals Requiring Changes to Services Agreement

- 5.2.1 The Services Agreement (i.e., the specification) in place between the Council and ANGUSalve is the main agreement which sets out the range of services ANGUSalve delivers on behalf of the Council. With the exception of venue opening hours during the pandemic, the Service Agreement has not changed since it was introduced when ANGUSalve first started operating in December 2015. While some changes can be agreed by the ANGUSalve Board itself when these align with the specification, other changes require to be agreed by the Council where they amend the content of the agreed specification.
- 5.2.2 Some of the initial proposals require an amendment to the current service specification and therefore consideration/ approval by the Council. These are summarised in the following table:

Description of Proposal
<b>Permanent integration of Arbroath Library/ ACCESS Services:</b> members are asked to agree face-to-face ACCESS services will be delivered from Arbroath Library on a permanent basis using the integrated approach that has already proven to have many service-delivery benefits in all of the other burghs. Details of the feedback from ANGUSalve’s survey which supports this proposal are included in Appendix 1. This will have the added benefit of contributing toward improved library opening hours throughout Angus as described in Appendix 2.
<b>New approach to Digital Training Services:</b> members are asked to agree a change to the services specification to confirm ANGUSalve will work together with local, regional, and national partners to facilitate delivery of a range of high-quality digital learning activities for Angus communities.
<b>Updated Venue Operating Hours:</b> members are asked to agree the venue operating hours being proposed in Appendix 2, as the new baseline position.

- 5.2.3 Other proposals do not require an amendment to the current service specification, albeit require consideration/ approval by the Council to progress as these will assist to inform future strategy. These are summarised in the following table:

Description of Proposal
<b>Work with Angus Council to engage communities to explore opportunities for involvement in service delivery:</b> members are asked to agree to engage communities across the county who may be willing to help develop integrated services be they libraries, museums, or town halls to see these valued services continue to thrive.

- 5.2.4 Now that this transformation programme work is in progress, with full Council sighted on the broad range of developments to date, it is planned that future reports will be considered by the Communities Committee. The Order of Reference for the Communities Committee includes the supervision and management of the contract between the Council and ANGUSalve (clause 31 on page 30 of the Council's Standing Orders). That is proposed as the default approach unless there is a specific requirement for consideration of a report by either the Policy & Resources Committee or full Council.
- 5.2.5 The ongoing development and delivery of ANGUSalve's Transformation Programme proposals will be an intrinsic element of ANGUSalve's annual Business Plan. As noted earlier, ANGUSalve are required to submit a Business Plan to the Council six months in advance of each forthcoming financial year. This information will dovetail with the Council's own strategic planning cycle, including budget setting, to ensure there is a coherent approach between the Council and ANGUSalve priorities going forward.
- 5.2.6 It is proposed that the authority to approve any non-material changes to the updated venue opening hours set out in Appendix 2 is delegated to the Director of Strategic Policy, Transformation & Public Sector Reform to expedite minor operational changes requested by ANGUSalve.
- 5.2.7 A full update of the Services Agreement will be undertaken to reflect the changes agreed in relation to ANGUSalve's Transformation programme which will be reported to Council in due course and we are aiming to have the revised agreements concluded by March 2023. This will include confirmation of the Council's guiding principles and priorities for the provision of culture, sport and leisure services, as set out in section 5.1.1 above, which will assist the Board of Directors to take decisions about the future strategic direction of ANGUSalve.

## 6. FINANCIAL IMPLICATIONS

- 6.1 Assuming members agree to baseline the venue operating hours specified in this report and the other initiatives where savings have been identified (see table below), this will enable the Trust to deliver on a recurring basis the £285k management fee saving for 2022/23 in the Council's Change Programme and contribute towards the £210k saving required in 2023/24.

Further target savings of £500k are in the Change Programme for the following year 2024/25, and this approach is predicated on making progress with the various initiatives emerging from the transformation programme and the future strategic direction of ANGUSalve.

Members are reminded that there is provision in the Council's reserves and lost income from covid reserves totalling £723k should ANGUSalve require support to mitigate the risk of an income gap prior to income targets returning to a pre covid position which is now anticipated to take longer due to the impact of the cost-of-living crisis in our communities. With the £1.3m investment in equipment taking place during 2022/23, it is anticipated that this will also start to have a significant mitigating impact and support revenue growth going forward into 2023/24 and future years.

- 6.2 The financial implications arising should all the proposals summarised at paragraph 5.2.2 be approved are as set out in the table below.

Proposal	Description of Financial Implications	Financial Implication Value for the Council (£000)
Permanent integration of Arbroath Library/ ACCESS Services	Approval of this element would result in a small saving of £8,000 for ANGUSalve by removing a currently vacant post. This is a balancing figure only and the actual cost of providing this service is much greater and has been redistributed to	35

	allow for greater opening hours of libraries across Angus as outlined in Appendix 2. It would also release £27,000 of Non Domestic Rates costs and other property related costs currently paid by ANGUSalive as noted in para 6.3 below.  Further property related financial implications (savings) relating to this proposal are also noted in section 6.3 below.	
New approach to Digital Training Services	Approval of this element would result in a saving in staff costs for ANGUSalive of £70,017. This would be offset by a reduction in income of £6,370 resulting in an overall net saving of £63,647.	64
Updated Venue Operating Hours	The saving which could be achieved on a recurring basis by the Council baselining the venue opening hours as set out in this report would be taken in the most part from the current ANGUSalive vacancy budget although there are also some considerations for current staff members.	310
Total		409

6.3 In terms of the property related revenue costs associated with running the ACCESS services from the Old Parish Church building in Kirk Square, the Council currently budgets (within the Strategic Policy, Transformation & Public Sector Reform Directorate) for c£30k to cover maintenance, utilities and common good rent (£14k of the aforementioned budget). ANGUSalive also pay c£27k in non-domestic rates and other property related costs. If members agree to the combined ACCESS/ Library integration at the library facility, the overall saving available across both organisations would be c£57k, with first full year in 2024/25. The one-year transition period (as per Common Good Policy Report 138/21) between Council General Fund to Common Good would conclude in November 2023. The £27k ANGUSalive savings have been included in the above table as these could be achieved during 2022/23. The £30k Strategic Policy, Transformation & Public Sector Reform savings would form part of the Service Contraction budget proposals included elsewhere in the Council's budget considerations, timed to suit the change in obligations, and have therefore not been included in the above table.

If no alternative occupancy is in place by November 2023, the Arbroath Common Good Fund would lose the £14k annual rent from that point until a new tenant or other solution is secured. The Common Good would also be liable for the property costs albeit these are considered to be minimal at this stage as the building is considered to be in good condition and would not be using utilities while vacant. Being a category B listed building, there would also be no liability for non-domestic rates while being vacant.

The Arbroath Common Good currently attracts c£86k annual income (2021/22 unaudited annual accounts refer) from its various rent agreements, and it is considered that this reduction of £14k or 16% (full year effect) would be manageable. This potential annual income reduction is also against a backdrop of Arbroath Common Good having an unaudited £452k available revenue balance as at 31 March 2022. Officers will also be exploring new options for using the property to mitigate the impact of this proposed change as part of its ongoing work in relation to its Place Based Strategy engagement work with the Arbroath community, as noted earlier in this report.

6.4 Some staffing related matters will require to be worked through (section 7.2 below refers) and provisions made for one off costs that will be incurred to deliver the changes. The Council has previously funded half of these costs which are necessary to achieve the recurring revenue

budget savings being asked of the Trust as part of the Council Change Programme. This approach would require further Council consideration/ approval.

6.5 There will be financial implications attached to other elements of the Transformation Programme and these will be identified as each element progresses. These implications will be reported to the Communities Committee as part of future update reports and as each element is presented for Council consideration and approval.

6.6 There is provision within the Council's Capital Plan to support the progress of design development for improvements relating to Arbroath Library/ ACCESS services being integrated permanently in the library building.

## **7. OTHER IMPLICATIONS**

### **7.1 Property Implications**

7.1.1 The Old Parish Church building in Kirk Square, Arbroath, which forms part of Arbroath Common Good, would be vacated by ANGUSalve following the process set out in the Licence to Occupy following approval of the Arbroath Library & ACCESS services proposal. The property would return to Angus Council for managing as a Common Good asset as described in sections 5.1.4 and 6.3 above.

### **7.2 Staffing Implications**

7.2.1 If members agree to the proposals set out in section 5.2.2 above, the decision will only be finalised once consultation with the employees affected by the proposals has been undertaken. The Director of Strategic Policy, Transformation & Public Sector Reform will bring a report back to the Communities Committee if the consultation leads to new issues emerging that have not previously been considered and requires amendment to the proposals detailed in this report.

7.2.2 If following the employee consultation there are no amendments to the proposals, the ANGUSalve policy on managing redundancy would be followed to implement any related staffing reduction and using such measures as redeployment and the use of the Early Retirement/Voluntary Redundancy (ER/VR) Scheme where applicable. These, and every other alternative option would be explored to avoid the need for compulsory redundancies.

### **7.3 Risk**

7.3.1 Without the interventions through the ANGUSalve Transformation Programme and its ongoing development as part of ANGUSalve's business planning process, there is a high risk that ANGUSalve would not be able to continue as a 'going concern' and the business case benefits of the ALEO approach would be lost, along with significant financial implications that the Council would have to address in that scenario (e.g., TUPE transfer back of staff).

## **8. EQUALITIES IMPACT/ FAIRER SCOTLAND DUTY ASSESSMENTS**

8.1 Equalities Impact Assessments have been carried out and are attached relating to the proposals under consideration in section 5.2.2 above.

## **9. CONSULTATION**

9.1 The Chief Executive Officer of ANGUSalve has been consulted in the preparation of this report. ANGUSalve have also provided the information which has been included in the Appendices and EIAs for this report.

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- [Report 313/22](#) – Monifieth Community Hub & Monifieth Library – Costs, Funding & Consultation Update (Council, 8 September 2022)
- [Report 312/22](#) – ANGUSalve: Transformation Programme Update (Council, 8 September 2022)
- [Report 181/22](#) – ANGUSalve: Update (Council, 30 June 2022)
- [Report 108/22](#) – ANGUSalve: Update (Council, 10 March 2022)
- [Report 61/22](#), [Annex 1](#), [Annex 2](#) and [Annex 3](#) - ANGUSalve Charges Review and Budget Settlement 2022/23 (Council, 3 March 2021)
- [Report 38/22](#), [Appendix 1](#) – ANGUSalve: Update (Council, 10 February 2022)
- [Report 393/21](#), [Appendix 1](#) and [Appendix 2](#) - ANGUSalve: Update (Council, 16 December 2021)
- [Report 283/21](#), [Appendix 1](#) and [Appendix 2](#) – ANGUSalve: Update (Council, 17 September 2021)
- [Report 220/21](#), [Appendix 1](#) and [Appendix 2](#) – ANGUSalve: Update (Council, 24 June 2021)
- [Report 105/21](#) – ANGUSalve: Update (Council, 18 March 2021)
- [Report 67/21](#), [Appendix 1](#) – ANGUSalve Charges Review and Budget Settlement 2021/22 (Council, 4 March 2021)
- [Report 36/21](#), [Appendix 1](#) – ANGUSalve: Update (Council 11 February 2021)
- [Report 334/20](#), [Appendix 1](#), [Appendix 2](#) and [Appendix 3](#) – ANGUSalve: Update (Council, 17 December 2020)
- [Report 272/20](#), [Appendix 1](#), [Appendix 2](#) and [Appendix 3](#) – ANGUSalve: Update (Council, 5 November 2020)
- [Report 224/20](#), [Appendix 1](#) and EIA – ANGUSalve: Update (Council, 10 September 2020)

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List of Appendices:

Appendix 1 – Arbroath Library/ ACCESS Survey Results

Appendix 2 – Updated Venue Operating Hours

Appendix 3 – Sports Centre Investment Overview

Appendix 4 – Sports Centre Investment and Performance Information

Appendix 5 – Equalities Impact Assessment for Permanent integration of Arbroath Library/ ACCESS Services

Appendix 6 - Equalities Impact Assessment for New approach to Digital Training Services

Appendix 7 - Equalities Impact Assessment for Updated Venue Operating Hours