



Business Plan

2023/24 – 2025/26



About Us

The charity ANGUSalive is the culture, sport, and leisure trust for the county of Angus. We offer residents and visitors to Angus a wealth of services which are 'changing lives by inspiring healthy, active and creative lifestyle choices' through the use of our sports centres, country parks, theatres and venues, museums, galleries, archives and libraries.

As a not-for-profit company, every penny is reinvested back into the communities we serve.

Our mission is that 'with a clear focus on customer service excellence and continuous improvement, our engaged workforce will deliver innovative services providing opportunities for all people to connect with the richness of activity available in Angus.'

We are committed to meeting our charitable objectives and contributing to local outcomes and aligning to our status with OSCR and our Articles of Association. We continue to follow our nine strategic aims to realise the charity's vision and mission:

- 1. Ensure strong, transparent governance and demonstrate community benefit**
We manage the services, assets and employees in accordance with good charities governance, good business practice, legislative requirements and in accordance with the Articles of Association to ensure strong governance, public accountability and public benefit.
- 2. Deliver best value and create investment opportunities**
Deliver best value for every pound invested in the Trust, including generating investment opportunities for the development and improvement of cultural, leisure and community services.
- 3. Champion the positive benefits of our services**
We aim to promote the positive benefits of leisure, cultural and community services in terms of health and wellbeing, learning, community development and creativity
- 4. Encourage participation for all**
ANGUSalive aims to promote participation in activities at all levels and for all sections of the community to enable residents to fulfil their potential in their chosen area of activity.
- 5. Promote a culture of diversity and equality**
Ensure that services meet or exceed the Trust's obligations under the Equalities Act 2010.
- 6. Improve outcomes through effective partnerships at local, regional, and national levels**
Develop and nurture robust and productive partnerships with local clubs, community groups, voluntary organisations, the National Health Service, national bodies, and customer groups.

7. Engage and communicate openly

Ensure the Trust's services listen to our users and respond to their views.

8. Recognise the value of our employees

ANGUSalive will value and develop staff and promote a culture of empowerment.

9. Promote use of our spaces as community hubs

We aim to offer community venues from which to deliver activities and resources which support inclusion, empowerment, lifelong learning, skills development, and literacy.

ANGUSalive is a private Company limited by guarantee without share capital, use of 'Limited' exemption and incorporated on 27 February 2015 with Company Number SC499155. The Company is governed by its Articles of Association. Angus Council is the sole member of the Company.

The Company has charitable status under Section 505 of the Income and Corporation Taxes Act 1988 and the Scottish Charity Number is SC046133. The Company was granted charitable status on 13 November 2015 and commenced trading on 1 December 2015.

ANGUSalive works with many partners to deliver its services and makes a significant contribution to many of the local outcomes in the Angus Community Planning Partnership's Community Plan.





Introduction

ANGUSalve remains committed to realising our vision of 'changing lives by inspiring healthy, active and creative lifestyle choices' by providing culture, sport and leisure services to support the physical and mental health and wellbeing of citizens across the county.

This annual plan considers the factors critical to the successful realisation of that vision:

- Maintenance of Going Concern status
- Risk and costs of losing the ALEO approach
- The transformation required to address reducing revenue and increasing cost pressures
- The impact transformation will have on our services, the community, and our people

It sets out our key aims and outcomes for this year mindful of the challenging economic environment we will operate within over the next three years and beyond, cognisant of information shared by the Client with regards to Angus Council Change Plan savings to our management fee.

This annual plan also details the necessary actions to be taken together with the revenue budget available and our investment plans. Our key priorities for the year are detailed in the tables below.

We recognise there is a very difficult time ahead for our people, both professionally and personally, as the organisation goes through this transformational change in all services areas. Employee support will be provided as we move through this journey towards the new shape of the charity for the future.

Our team remain dedicated to delivering the best services we can for the communities of Angus and visitors to the county within the resources available as we know these opportunities to be healthy, active and creative play such an important role in the lives of our customers. This includes delivery of some of the incredible goals our team has planned throughout 2022/23 and beyond.

Effective partnership working remains crucial to achieving this. As a result, as well as nurturing our existing relationships and projects, we have been launching new initiatives with current partners and building new connections.

We continue to work together to steer ANGUSalve through the difficult times ahead and look towards a more stable operating environment once the necessary strategic changes to the charity are made.

BUSINESS PLAN PRIORITIES FOR COMPLETION WITHIN 2023/24	
AREA	ACTION
Cross Service	<ul style="list-style-type: none"> Initiate a Transformation Review to creatively reimagine culture, sport and leisure services given the constraints of our contracting financial envelope Progress the Health & Wellbeing Test of Change, now called Angus Prevention & Proactive Care Programme, with Angus Health & Social Care Partnership and Angus Council Complete pilot project supporting local carers to access our services in partnership with Angus Carers Centre through funding awarded by Angus Health & Social Care Partnership
Countryside Adventure	<ul style="list-style-type: none"> Confirm new arrangements with partners to facilitate withdrawal from Montrose Basin Local Nature Reserve in advance of the new wildfowling season in September 2023*
Libraries	<ul style="list-style-type: none"> Conclude library opening hours review and implement agreed proposals Integrate Monifieth Library within the new Monifieth Community Hub being developed by Monifieth Community Resource Group at Blue Seaway then return the current library building to Angus Council Expand our current partnership with Macmillan Cancer Support through funding received from them to deliver the Angus Libraries Project which will establish a therapy room at Forfar Library Build our offering for rural communities through funding received from the Public Library Improvement Fund distributed by the Scottish Library & Information Council on behalf of the Scottish Government
Museums, Galleries & Archives	<ul style="list-style-type: none"> Conclude museum opening hours review and implement agreed proposals Return Gateway to the Glens in Kirriemuir to Angus Council following the end of seasonal opening on 31 October 2023* and meantime support transition discussions with interested community groups Return Brechin Town House Museum to Angus Council following end of seasonal opening on 31 October 2023* and meantime support transition discussions with interested community groups
Sport & Leisure	<ul style="list-style-type: none"> Complete the redevelopment of fitness suites at a further three venues across Angus to create a modern and immersive gym experience to meet changing customer expectations
Theatre & Venues	<ul style="list-style-type: none"> Return Arbroath Community Centre to Angus Council as soon as possible after 31 March 2023* Return Inglis Memorial Hall & Library Visitor Centre in Edzell to Angus Council by 31 October 2023* and meantime support transition discussions with interested community groups Implement changes to the customer offering and customer journey to improve secondary spend at all times Develop VINES (Venues in North East Scotland) partnership we established with colleagues in neighbouring areas to bring benefits to our portfolio and programme

** If the ANGUSalve Board and Angus Council elected members agree these proposals, dates will only be finalised once consultation with the employees affected by the proposals has been undertaken.*

BUSINESS PLAN PRIORITIES FOR PROGRESSION DURING 2023/24 TOWARDS 2024/25 & 2025/26	
AREA	
Cross Service	<ul style="list-style-type: none"> • Progress the Transformation Review to deliver changes required to future service provision across Angus and to our organisational structure to support the new model of delivery within the available budget • Assess opportunities to develop the food and beverage offering across ANGUSalve venues • Review future operation of all facilities, within each service and in all locations, given the substantial impact of energy price increases
Countryside Adventure	<ul style="list-style-type: none"> • Review partnership arrangements to determine future operations at Glen Doll • Undertake a comprehensive review of the Countryside Adventure portfolio and services • Consider the options presented in the Crombie and Monikie Country Parks Masterplan, confirm next steps and identify possible funding sources to take forward prioritised proposals as appropriate
Libraries	<ul style="list-style-type: none"> • Develop proposal and secure allocation of funding to refurbish Arbroath Library to fully integrate ACCESS service provision, modernise and future proof the customer offering • Investigate opportunities across Angus for co-location of libraries with our other services or in partner and community venues as appropriate
Museums, Galleries & Archives	<ul style="list-style-type: none"> • Complete colocation of Archives with another service by no later than the lease end date for Restenneth in early 2025 • Advance the Angus Heritage & Resource Centre (AHRC) proposal to ensure we can care for and manage the Collections of Angus Council for the people of Angus in appropriate conditions (releases venues in support of Council's Agile Programme) • Progress two exciting long-term projects - Montrose Museum Reimagined and Signal Space at Signal Tower Museum – to the next development phase • Consider the future proposition at Meffan Museum & Art Gallery
Sport & Leisure	<ul style="list-style-type: none"> • Identify whether there are opportunities to modify lifeguarding arrangements in our pools • Investigate how new changing rooms can be created at Arbroath Sports Centre to provide a gender neutral changing village and improve facilities for customers with different needs • Progress development of new revenue generation opportunities at Carnoustie Sports Centre following business case assessment • Undertake a comprehensive review of the Sport & Leisure portfolio to identify under-utilised spaces and possible alternative uses to diversify future revenue streams
Theatre & Venues	<ul style="list-style-type: none"> • Refresh the programming of performance and event spaces to increase occupancy across venues, including introduction of a new daytime offering



Maintenance of Going Concern status

The ability of the charity to continue to operate on a 'going concern' basis and trade legally is now under threat following significant changes in our operating environment following the pandemic and subsequent international and national events during 2022/23.

There has been a detrimental impact on our ability to generate income, as there has been for many other organisations. Now additional pressures in relation to the affordability position have exacerbated our anticipated recovery and will require remedial actions to be taken to ensure the longevity and sustainability of the charity in the months and years ahead.

These pressures include inflation making goods and services more expensive, rising energy costs, lack of skilled workforce to fill some specific vacancies and further reductions in local government funding towards the provision of culture, sport and leisure services in future years.

At the same time, the associated cost-of-living crisis has reduced levels of disposable income available within our local communities for discretionary spend on services we provide and delivered the highest pay award in over a decade to support our employees through this difficult period.

The ongoing impacts from COVID-19 and other events have also deepened the financial difficulties already facing local government and the public sector more generally across Scotland.

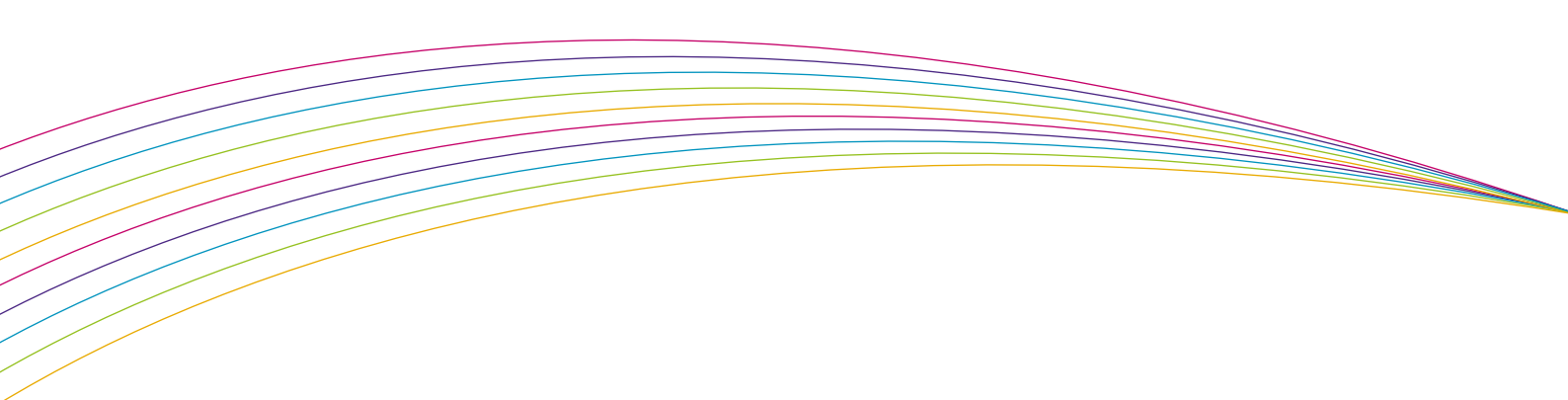
The Angus Council Change Programme for 2023-2026, which will be considered by elected members on 2 March 2023, therefore includes an ask for a further saving of £1.5m from the £4.505m ANGUSalve base Management Fee for 2022/23. This 33% saving is intended to reduce the level of management fee paid to ANGUSalve and is spread across three financial years.

This is in addition to the saving in 2022/23 (£285k) which has been achieved on a one-off basis in year. A number of service reviews have been initiated to deliver the £285k management fee saving required in 2022/23 on a recurring basis in future years. These service reviews will conclude in early 2023/24 through the Managing Workforce Change process.

The further £1.5m management fee saving is to be delivered during

- 2023/24 - £500k
- 2024/25 - £500k
- 2025/26 - £500k

Together all these factors have further compounded the immediate situation faced by the charity. Our revenue budget now brings in less income - generated from sales, fees and charges combined with grants, contributions, and the Angus Council Management Fee - at a time of increased expenditure.



As we look ahead these additional cost pressures are predicted to continue, and Angus Council has indicated that within 5-10 years from April 2022 ANGUSalive will ideally require to become a self-sustaining organisation in receipt of no Management Fee. 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.

The Board and Chief Executive are charged with the responsibility of competent financial stewardship of the charity and have, together with the wider team, successfully managed the organisation through difficult times over the past 7 years.

Through delivery of the organisational review, the charity achieved £1.058m in management fee savings requested by Angus Council over the 3-year period to 2020/21 on time and on budget.

Then the charity navigated its way through unprecedented times during the pandemic without having to draw down on support package measures made available to us by Angus Council, although access to these measures has been essential in support of our Going Concern status.

Some of the Council support package measures have, as a consequence, been able to be rolled forward and are now extended up to 31 March 2024, thus remain available as we move into what is considered to be the most challenging period since the charity was established.

As part of the support package, a commitment was also

made by Angus Council to continue paying the full Management Fee during 2020/21 - 2022/23, notwithstanding the high likelihood the full range of services included in the current services specification would not be delivered due to the impact of the pandemic. It is anticipated this position will need to continue in 2023/24, subject to agreement, albeit due to a more extensive range of factors.



Reserves Policy

A background image featuring a stack of gold coins. The top portion of the image is a close-up, slightly blurred view of several coins. The bottom portion shows a more detailed view of a single coin, with its intricate design and the words 'FIDELITY BUREAU' visible. The coins are arranged in a way that creates a sense of depth and texture.

When the charity was established in 2015 the Board agreed reserves should be set aside annually, whenever possible, based on the guidance in place at that time from the Office of the Scottish Charity Regulator (OSCR).

Through the ongoing financial stewardship of the Directors and Senior Leadership Team, regular contributions have been made to the charity's reserves on a prudent business operation basis to strengthen the charity's resilience.

There is a continued recognition by Directors of the need for the charity to hold reserves, particularly in the post-pandemic environment. Events since March 2020 have demonstrated both the speed and severity of change that can be experienced in our operating environment.

To protect the charity, it must remain prepared to withstand unforeseen circumstances that impact our ability to generate income and meet our liabilities.

The reserves policy requires the charity to hold reserves equivalent to 3 months of staffing costs, the single most significant expenditure by the charity. The target for reserves in 2022/23 was £1.6m and this can be maintained moving into 2023/24.

Reserves also form a significant part of our Going Concern assessment, maintenance of these funds for a 'rainy day' also consequently protects our ability to continue to operate on this basis.

Use of reserves to address the income shortfall faced by the charity is not a long-term solution in such circumstances, these funds are only available once. Our reserves may, however, need to be called on during the transition period to the new business model. Where staffing reductions are required as part of the changes, every effort will be made to deliver these through natural staff turnover. It is however likely that to fully deliver on the scale of the changes that will be necessary, at least some staff reductions will be required via early retirement or voluntary redundancy. This is likely to require a call on ANGUSalive overall reserves to fund our share.

Planning for the longer-term sustainability of the charity remains an essential priority for Directors and the Senior Leadership Team but there is now also a more immediate risk to our charitable status given the extent of the deterioration in budget forecasts over the past 12 months.



Risk and costs of losing the ALEO approach

Delivering culture, sport, and leisure services through an arms-length external organisation (ALEO) can have several benefits for a local authority. ANGUSalve was therefore established by Angus Council and commenced operating on 1 December 2015.

Benefits derived by adopting this model of service delivery include an annual saving for ANGUSalve through receipt of charitable rates relief on Non-Domestic Rates, along with opportunities to attract additional external funding and commercial revenue growth which otherwise may not be available.

ANGUSalve had already indicated to the Council prior to the pandemic whilst the savings up to and including 2020/21 were achievable without any direct impact on service delivery, any further savings in future years would require a more fundamental review of the service specification supported through transformational change to existing service provision across Angus.

This situation has been further compounded by more recent events meaning the scale and speed of change required across the organisation will now need to be accelerated.

The charity is legally always required to operate within the financial envelope available to it and the Board is monitoring the financial position very closely since it remains under pressure.

Although the charity can trade legally as we commence 2023/24, without interventions 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 Angus Council would have to address in that scenario. These include a one-off project cost to TUPE transfer back of staff and recurring annual payments of circa £1.4m of Non-Domestic Rates liable on the License to Occupy property portfolio.

Our focus is on finding a solution for ANGUSalve to operate within the current and forecast budget position as this will be crucial to the charity's future survival.





The transformation required to address reducing revenue and increasing cost pressures

£1.948m in management fee savings have already been achieved by ANGUSalive from 2015/16 to 2021/22 i.e. 32.8% savings in a 6 year period. For an organisation whose expenditure budgets are dominated by employee costs, 78% of all costs in 2022/23, this is a significant ask.

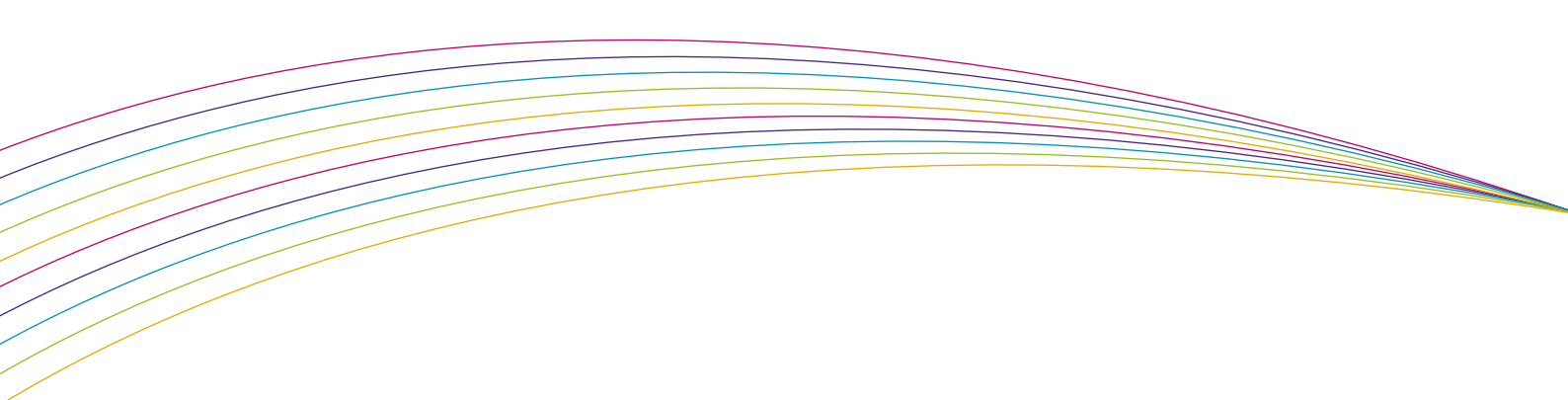
This figure excludes savings realised by Angus Council in setting up the charity. It also excludes a further saving of £7.3m in Non-Domestic Rates between 01 April 2017 - 31 March 2022. The Non-Domestic Rates saving from 01 December 2015 – 31 March 2017 has been requested from Revenue & Benefits to complete the picture.

While the level of savings to date is recognised as being a significant challenge, the charity will be required to achieve further savings above this level based on the Council's medium to long term budget planning assumptions.

This will undoubtedly lead to several difficult considerations and proposals needing to be brought forward to ensure ANGUSalive remains a going concern.

It is therefore 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.





In November 2022, the Council provided greater clarity about its priorities for culture, sport and leisure services within the reduced budget available, and confirmed its key strategic requirements going forward (Angus Council Report 364/22 refers). These focus on five priority areas:

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.

The model in place before lockdown is no longer affordable and cannot be maintained given the budget pressures with the current and forecast financial position, there is a continued need to transform the business over the longer term.

Investment Fund

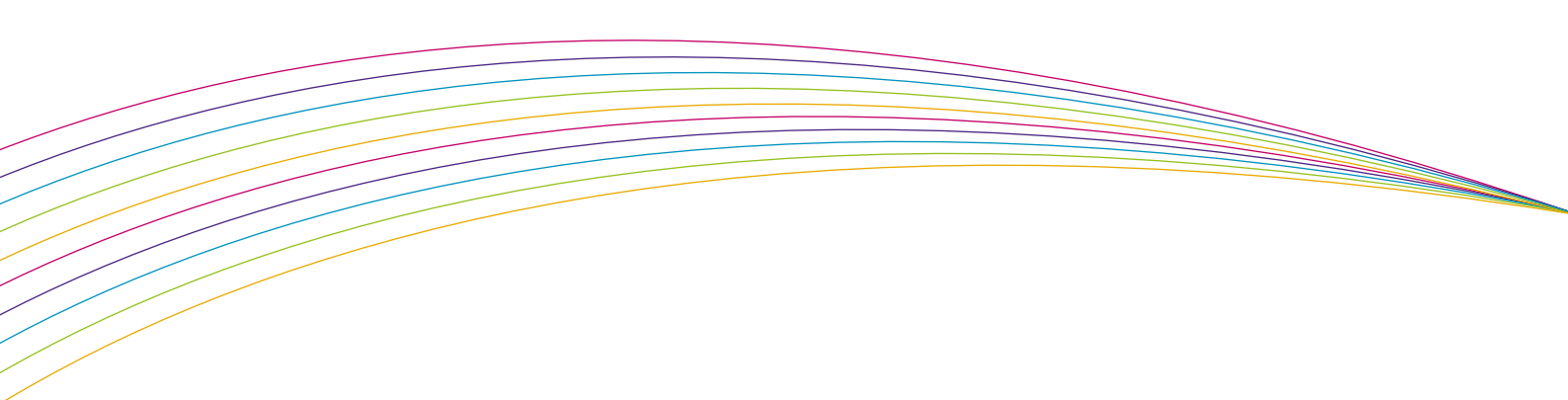
(Formerly Renewal & Repair (R&R) Fund)

The Board is also committed to making investments to both protect current revenue streams and achieve a diversification of income sources which are equally important to the future of ANGUSalive.

The charity has made annual contributions to the Investment Fund for equipment at the end of each financial year since it started trading (with the exception of 2019/20, in light of the ongoing Coronavirus pandemic) to ensure resources are available for future investment across its culture, sport and leisure facilities. In addition, to ensure the charity can replace legacy IT equipment in the future an Investment Fund specifically for IT was established in 2018.

The ability to perform regular equipment refresh and replacement is essential as this programme of work contributes to the maintenance of the charity's customer base and facility usage through the provision of a high-quality customer experience. Specific provision has also been made for investment in technology refresh since it is integral to the successful operation of the charity.





The impact transformation will have on our services, the community and our people

To mitigate this significant risk of ongoing business viability, it is clear culture, sport and leisure services are going to have to be creatively reimagined to realise additional savings in future years.

The Council and ANGUSalve will need to work in partnership to determine the priorities and needs which can be provided given the revised financial envelope available to deliver these public services.

Angus Council has therefore agreed to progress the 'ANGUSalve Transformation Project' which will develop proposals for transformational change required to achieve a sustainable future for ANGUSalve to deliver culture, sport, and leisure services.

This will be achieved working in partnership with the Council, in its capacity as commissioning body and sole member of the organisation, along with other local/ national partners and the community to understand outcomes, priorities and expectations urgently.

Alignment with the charitable purposes of ANGUSalve will also require to be confirmed to enable transition to a new delivery model which will be reflected in an updated services specification.

The services specification agreed in 2015 will be revised, along with the suite of contract documents, to reflect the outcomes of the transformational change project as these emerge. This will need to be done in a manner that continues to meet OSCR registration requirements.

Finding a solution for ANGUSalve to operate within a sustainable financial envelope is crucial to the future of the charity and its services. It has been agreed that a root and branch review of what services are provided, how they are delivered and where they take place needs to be conducted through establishment of a Transformation Review.

The charity will undoubtedly need to change both in terms of the services available and the team which provides them.

ANGUSalve has proven its resilience and optimism in recent difficult times through the hard work of our team, supported by our Board of Directors, and it's thanks to our committed employees that we find ourselves in a strong position to take on this challenge.





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ANGUSalive is a company limited by guarantee registered in Scotland
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