|  |  |
| --- | --- |
| HIGH LIFE HIGHLAND REPORT TO BOARD OF DIRECTORS 10 Dec 2020 | AGENDA ITEM REPORT No HLH /20 |

**RECOVERY ACTION PLAN FINAL REPORT - Report by Chief Executive**

|  |
| --- |
| **Summary**The purpose of this report is to update the High Life Highland Board on the Recovery Action Plan (RAP), underpinned by the #*hlhbounce****back***marketing campaign. It is recommended that Directors comment on and note:1. RAP progress against the plan and the seven key themes;
2. any continued restriction or prevention of access to the shared school/HLH estate and wider community lets access could further exacerbate our financial recovery;
3. that a strategic investment plan is critical to strengthening and growing the business; and
4. that the HLH main effort is now shifting from business recovery planning to a new business as usual model and creation of a strategic-level corporate programme management plan.
 |
| **1.****2.**2.12.22.32.4 | **Business Plan Contribution**This report supports all nine of the highlighted Business Outcomes from the High Life Highland (HLH) Business Plan:1. **Sustain a high standard of health and safety, and environmental performance**
2. **Implement the Service Delivery Contract with The Highland Council**
3. **Improving customer engagement and satisfaction**
4. **Improving staff engagement and satisfaction**
5. **Enhance the positive charity image**
6. **Be a trusted and effective partner**
7. **Achieve sustainable growth across the organisation**
8. **Develop health and wellbeing across Highland communities**
9. **Develop and promote the High Life brand**

**Background**High Life Highland leisure and community facilities, libraries and museums closed on Friday 20 March 2020, with the majority of employees placed on furlough leave under the UK Government Job Retention Scheme (JRS). The resumption of limited and reduced capacity services recommenced on 31 August 2020 as part of the #*hlhbounce****back*** campaign. As focus transitions from recovery to a new business as usual model, a new corporate programme management plan will be developed, to help define the new blueprint for HLH. However, it’s important to reflect and learn the lessons gained from the work done within the #*hlhbounce****back*** campaign. This campaign depended both on our workforce driving the campaign and the loyalty of our customers. Hard-earned lessons over the past 9 months has prepared us for any future tightening of restrictions, due to our resilience and contingency planning. Despite the challenges of the global pandemic, HLH also continued to provide a number of services throughout the lockdown and successfully delivered alternative innovative ways of reaching its customers through the use of technology, whilst concurrently maintaining support to staff health and wellbeing. **Headlines - HLH activities and achievements for both customers and staff:*** Adult learning and youth work continued to provide services to vulnerable young people and adults by telephone and via on-line video calling
* Archives delivered on-line learning sessions and the Gaelic language and culture web site use continued with social media engagements associated with it increasing
* Telephone support and emails to Cardiac Rehabilitation, Parkinson’s Exercise and Falls Prevention exercise classes.
* The Move More programme, for people affected by cancer, replaced all previous face-to-face activities with telephone and online interactions, using digital platforms
* Leisure facilities staff delivered fitness classes on-line.
* Libraries continued to deliver on-line services including on-line storytelling and other activities as well as its traditional on-line services
* Music tuition transferred all of its activity on-line
* Establishment of a COVID group to support ongoing administrative and HLH business supports tasks
* Furloughed staff volunteering in a range of settings including supporting humanitarian assistance, delivering activities to childcare hubs and local community support.
* Establishing Humanitarian access centres for the coordinated delivery of essential food and supplies to vulnerable people throughout the highlands
* Provision of fruit and veg from the botanic gardens in support of the above
* Health and Wellbeing suite of programmes for staff from huddles, virtual coffee meetings, on line quizzes, staff engagement questionnaires
* Regular staff updates
* Regular communications from the Chief Executive in written and video formats
* Establishment of a Recovery Action Plan group to shape, drive and monitor the recovery programme
* Establishment of the C-19 group for emergency action planning for any actual confirmed positive COVID-19 case within an HLH service
* Development of COVID incident reporting data base
* Development of business critical ICT systems for membership and on line payments
* Rigorous financial scenario planning, modelling and continued HLH Board governance
* Update on recovery and performance to the Highland Council Education Committee
 |
| **3.** | **Key Themes** |
| 3.13.23.2.13.33.3.1**4.4**4.4.1**4.5.**4.5.14.5.24.6**4.6**4.6.1**4.7**4.7.1**4.8**4.8.14.8.24.8.3**4.9**4.9.1**4.10**4.10.1 | The RAP (**Appendix A**) is a live document that will continue to be developed and shaped as the emerging picture develops and greater clarity emerges on the availability and roll out of a vaccine and the implementation or easing of the restrictions under the new four tier system. The RAP will, in due course, be replaced by the Corporate Programme Management Plan. LegendThe RAP is focused on the following seven key themes, these themes will remain fluid and under constant review by the recovery team, led by the Corporate Programme Manager. Progress against programme is as follows:

|  |  |
| --- | --- |
| **Blue** | **Completed** |
| **Green** | **On target and progressing to plan** |
| **Amber** | **Some issues but being managed**  |
| **Red** | **Serious issues requiring an action plan** |

The themes along with a brief update are as follows: **Theme 1 - Staff health and wellbeing – Operational status – GREEN*** Staff engagement and consultation
* Support and guidance for staff returning to work
* Enable staff participation in health and wellbeing activities e.g. motivational staff challenges
* Facilitate specific opportunities for employees to take care of their physical health and wellbeing
* Employee surveys, including a return-to-work survey to listen to the voice of employees, making reasonable adjustments on their return to work where appropriate
* Regular communications from the Chief Executive in written and video formats.

To date this has resulted in numerous staff consultations and a return-to-work survey. We have also established HLH Huddles (virtual drop in coffee breaks) for both furloughed and working staff which have included activities to keep staff engaged. We have also created a list of FAQs for returning to the workplace and embedded this within a single point of reference (SPoR) link on the staff website. This SPoR provides staff with the latest information regarding what is happening with their roles, what facilities are planned to re-open and when.**Theme 2 - Condition and rejuvenation of the existing estate/facilities/ buildings – Operational status – GREEN*** H&S requirements for reopening
* Rationalisation opportunities in collaboration with Highland Council
* Operational restrictions
* Reorganise the layouts of facilities to permit controlled numbers of customers to be permitted to use them
* Re-baseline our capital programme
* Quickly accelerate projects with highest ROI factors
* Closely monitor and adhere to Government guidelines/Route Map evolution

This theme has formed the backbone of the *bounce****back*** campaign. Sites were made COVID-secure with layouts changed to achieve social distancing and one-way systems put in place. All activities were risk assessed against the back drop of COVID-19 and all the challenges this brings. It has necessitated the creation of online booking systems, dedicated signage and the production of customer journey videos so that customers can see the changes and what will be expected of them for their role to play in keeping our sites safe for all. Customer feedback has been unanimously positive from all sites so far.**Facilities update*** + 57 facilities open
	+ 59 in the process of reopening
	+ All outdoor grass pitches open
	+ Limited access to the school estate – mainly for click and collect library functions and use of synthetic pitches
	+ Community centres to remain closed

The importance of access to the school estate and the wider community lets, cannot be underestimated. HLH shares dual-use facilities in 12 schools and these facilities are vital to health and wellbeing by providing affordable, convenient access to leisure for all communities. School access is also a key source of income to High Life Highland through High Life memberships; supplemented by school lets managed by HLH. This represents a high percentage of HLH’s income and will have a significant impact going forward if unresolved. **Theme 3 - Customer engagement – Operational status – GREEN*** Establish what our customers expect when we reopen/restrictions permitting
* Build trust and confidence that it is safe to return to our facilities and engage with our services
* Retain as many customers as possible and engage positively and frequently
* Develop and implement a strategic approach to recovery and continued growth of *Highlife* subscription income

Our customer engagement has been continuous throughout the pandemic and resulted in customer surveys providing some excellent feedback in terms of how HLH was managing the communications with customers. Recovery of *high****life***membership income remains a high priority and membership progress can be found in the Performance report elsewhere on this agenda.**Theme 4 - Partnership Engagement – Operational status – GREEN*** Strategic alignment with The Highland Council will be critical to realisation of overall benefits, especially with respect to alignment of recovery actions and property rationalisation.
* Engagement with strategic partners to collate and analyse the best intelligence to inform decision-making

Our continued collaborative approach with the HC service delivery teams remains strong and is working well. Strong partnering with **sport**scotlandand Creative Scotland has secured current funding and also additional investment in leisure facilities. More recently, we have been working with the HC, HIE, UHI and **sport**scotland on a post COVID strategic sports investment programme for the Highlands. The purpose of this programme is help shape and define local sporting development aspirations and capital priorities to then align them with the wider **sport**scotland strategic development plan. Once completed, this will then permit **sport**scotland funding, augmented with additional external funding to help deliver the strategic plan. The overarching principles are to provide first-class facilities, Highland-wide. This in turn, will facilitate participation at an affordable price for all, regardless of age or status. Good facilities will also allow young elite Highland-based athletes to achieve their potential in the place that they work, study and live, reducing out-migration to the Central belt and other areas with better facilities. **Theme 5 - Financial Stability and security – Operational status – GREEN*** Income generation opportunities
* Careful transition to a new way of working/emerging new normal
* Consolidation on innovation, technology and new ways of working
* Opportunities for new business and regular business done more efficiently
* Strategic Workforce Planning - determining our staffing complement going forward and adjusting skills and numbers quickly to reflect the future operational requirements

The financial scenario planning model details a predicted year-end deficit of circa £560k. This projection is based on restrictions continuing to ease and customer confidence improving at the same time. Should restrictions be further tightened or there is a return to complete lockdown the size of deficit would depend substantially on the level of financial support available from the Government. Since the reopening of leisure facilities at the end of August *high****life*** membership income has continued to recover. Details of progress can be found in the Performance report elsewhere on this agenda.The projected loss of income is mitigated by the receipt of circa £5M in CJRS funding in addition to savings in staff costs forecast to be £1.96M, with a further saving of £1.8M in other operating costs. However, due to restrictions, recovery will not happen quickly enough to avoid a one-off budget pressure in FY 21/22 of circa £2.8m. Updated details of financial recovery and the 21/22 budget position will be presented at the Board meeting on 10 December. **Theme 6 - Lessons identified within this COVID-19 ‘season’ – Operational status – GREEN*** Consideration of an online/virtual membership as well as a physical visit membership
* Smarter working / uplift in home working
* Greater use of technology for service delivery (Music Tuition etc.)
* Reduction in mileage claims from circa £106K to £28K p/a

There has been a continued drive to improve our on,line presence and upgrade our ICT systems including a more integrated customer facing platform. Ultimately, this will inform the service re-imagination and the creation of a ‘new-blueprint’ for HLH. Our experience with the online music tuition provided us with a resilience to revert back to this method of delivery recently when face to face contact was unworkable due to localised COVID 19 concerns and where travel restrictions prevented instructors moving within the different tiers. Our default position of home working remains the norm and we will also consolidate the reductions in motor mileage to complement our climate change initiatives. We have also seen a number of sites benefit from collaborative working with the HC for the installation of PV cells, LED lighting and Electrical Vehicle Charge Points **Theme 7 - Resilience planning for the future – Operational status – GREEN*** Strategic Workforce Planning. Having the right staff, with the right training in the right places to deliver services
* Contingency planning
* Operational needs for now and going forward

With the ongoing uncertainty of what the service will look like in an emerging ‘new normal’, we need to test and adjust our ‘offering’ as and when restrictions are lifted. Our staff continue to demonstrate how resilient and flexible they are and this has allowed us to be reactive to situations and circumstances. Consolidating on this experience will be essential to our ability to react to strategic shock in the future whilst enabling us to be fit for purpose now. Details on the process of moving relief staff on to contracts can be found in the HR report elsewhere on this agenda. |
| **5.**5.1 | **Risk Management**The RAP is delivering within a high-tempo and rapidly evolving operational environment populated with known risks and many unknown parameters.  |
| 5.2 | Current key risks for the Charity are:* Major external issues affecting HLH ability to deliver services (Pandemic lockdown etc)
* Inability to secure one-off financial support from THC for FY 21/22
* Inability to access the wider school estate and community lets
* Non-achievement of income and failure to control expenditure
* Impact of slowdown of Highland Council Capital Programme on our ability to grow income and meet targets
 |
| 5.3 | As the RAP progresses, aligned with the Government’s route map, we will continue to review the risks in line with the HLH governance. |
| **6.** | **Implications** |
| 6.16.1.16.1.2 | *Resource Implications* – The biggest challenge for HLH as a charity will be to re-build to the previous baseline and generate further growth. However, we believe our brand and reputation is strong, underpinned by the thousands of customers who have supported us through the pandemic shutdown period. Our recovery *#bounce****back*** campaign has received extensive coverage and is progressing on time and on budget. Numbers are good, bookings are full, and from our customer surveys, customer confidence continues to grow.That said, HLH is confident that it can recover in FY 21/22 with some financial support.Finally, there is huge scope for joint rationalisation between HLH and THC and as the pandemic abates, collaborative working on estate management would be very welcome. |
| 6.2 | *Risk Implications* – COVID-19 is already on the HLH risk register, and this RAP is the part of the management plan to mitigate the risk as highlighted above. There are no new risk implications associated with this report.  |
| 6.3 | *Equality Implications* – there are no new equality implications associated with this report. |
| 6.4 | *Legal Implications* – there are no new legal implications associated with this report. |
| **Recommendation**It is recommended that Directors comment on and note:1. RAP progress against the plan and the seven key themes;
2. any continued restriction or prevention of access to the shared school/HLH estate and wider community lets access, could further exacerbate our financial recovery;
3. that a strategic investment plan is critical to strengthening and growing the business to secure jobs and services; and
4. that the HLH main effort is now shifting from c business recovery planning to a new business as usual model and creation of a strategic-level corporate programme management plan;
 |

Designation: Chief Executive

Date: 30 November 2020

**APPENDIX A**

 **V8.0 – 10 Dec 2020**

**Legend**

|  |  |
| --- | --- |
| **Blue** | **Completed** |
| **Green** | **On target and progressing to plan** |
| **Amber** | **Some issues but being managed**  |
| **Red** | **Serious issues requiring an action plan** |

 **HIGH LIFE HIGHLAND – Recovery Action Plan (RAP)**

**Back to Business** – July saw the first HLH site re-open with the Ben Nevis Visitor Centre re-opening its doors on 15 July 2020, closely followed by a number of libraries and visitor attractions and finally the bulk of our leisure estate on 31 August 2020, with the remainder of the estate reopening November 2020.

Learning from the initial phase it clearly demonstrated that the main challenges for HLH within our ‘*Bounce****Back***’ campaign would be customer and staff confidence, which continues to grow, and to provide the necessary and continued assurance that our facilities were COVID Secure and compliant, whilst balancing compliance, staff needs and the financial viability of re-opening.

Finally, any continued restriction or prevention of access to the shared school/HLH estate and wider community lets access could further exacerbate our financial recovery.

**Senior Responsible Officer (**Sponsor and Owner**)** – Chief Executive

**Lead Officer for the Recovery Action Plan** – Simon Swanson – Corporate Programme Manager

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No** | **Action** | **Sponsor** | **Lead** | **Workstream Status** | **Blockers** | **Comments** |
| L.1 | Maintaining strategic overview of the RAP and reporting in line with the approved governance procedures | SW | SS | Blue |  | Completed – reporting and governance procedures approved by the HLH Board and implemented |
| L.2 | Liaison with the HC – SDC and re-opening obligations | SW | SW initially | Green |  | Ongoing collaborative working with the HC staff – continual testing and adjustment to ensure alignment of the HLH RAP with THC recovery plan and SDC expectations to avoid conflicting approaches or duplication for the use of space/infrastructure leading to confusion for both staff and customers with associated delays. |
| L.3 | Liaison with the HC – Risk management | SW | SS | Green |  | Reporting channels identified and clear - operating very well. Contractor resources being excellently deployed and managed by the HC through collaboration with HLH – small HLH/HC working group set up to monitor requirements for reopening  |
| L.4 | Liaison with Trade Unions for terms and conditions discussions and future staff planning model talks  | JWM | MM | Green |  | Trade Union support going forward will be a critical element to the RAP along with THC support within SDC discussions |
| L.5 | Refine financial planning scenarios for quarterly Board updates  | SW | NJ | Green |  | Ongoing and continuous |
| L.6 | HLH to continue volunteer support to HC community hubs and develop the exit strategy as we return to business | DW | AM | BLUE |  | Exit strategy deployed as part of the #bounce**back** campaign. Ability remains for HLH staff to volunteer whilst on furlough  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No** | **Action** | **Sponsor** | **Lead** | **Workstream Status** | **Blockers** | **Comments** |
| L.7 | Recommence capital discussions with the HC to enable acceleration of projects with highest ROI | SW | SS | TBD once commenced |  | To commence once we have greater clarity from THC regarding the future capital programme. Q4 at the earliest |
| L.8 | Review HLH Capital programme and associated OBCs | SW | SS | Green |  | To commence in Q4 at the earliest |
| L.9 | Provide H&S support for PMs throughout transition phases  | JWM | CS | Green |  | Ongoing and continuous. Pre-opening site visits carried out. Provision of RA/NOPs/EAP templates |
| L.10 | review possible external funding streams to assist with growth and development | SS | AM | Green |  | Ongoing and continuous. SS funding (£37k) approved for Inverness Leisure strength and conditioning upgrade. |
| L.11 | Customer and Staff consultation to be developed at appropriate times to coincide with the Government’s Route Map phases  | JWM | AJ | Completed |  | CLUK staff and customer surveys completed with HLH findings provided for analysis. Staff and customer surveys also completed with data analysed with findings used to inform staff consultative groups to help shape return to work guidance for employees and managers.  |
| L.12 | Health & Wellbeing agenda for staff – support and assistance for the transition from furlough leave back to work | JWM | LB | Green |  | Ongoing and continuous. Staff consultative groups established for furloughed and non-furloughed staff. Staff engagement to continue throughout the HLH bounceback campaign and beyond as necessary |
| L.13 | Capitalise on the increase in physical activity – encourage long term behavioural change | DW | GR/ET/ | Green |  | Medium to long term projects to be considered as part of the wider HLH offering  |
| L.14 | Review opportunities for HLH countryside rangers- possible link to above  | DW | MD | Green |  | To be considered Q4 at the earliest – more likely to be FY 21/22 |
| L.15 | Review of currently agreed business cases approved by the Board, to revalidate previous BC assumptions | SW | JWMJWDW | Green | THC match-funding approval required. maintenance work yet to be completed | **Strathpeffer Pavilion** – Sale completed 26 May 2020 **Caithness Horizons** – discussions ongoing with THC – aiming for 1 Mar 2021 opening. Maintenance works still outstanding - full funding critical to the success of year 1 **Lochalsh Leisure** – Business Case to be reviewed  |
| **No** | **Action** | **Sponsor** | **Lead** | **Workstream Status** | **Blockers** | **Comments** |
| L.16 | Review current operating agreements with management committees – revalidate the viability and financial agreements  | SW | SS | Green |  | **Sites managed by management committees where they retain HLH membership income** – explore alternative operating and financial models for such sites to provide a more stable financial footing for the site and to aid future capital investment programmes for growth. Likely to commence Q4 at the earliest |
| L.17 | Continue to develop on line leisure centre classes  | DW | GR/ET/AH | Green |  | Ongoing |
| L.18 | Continue to develop on line library offering | JW | JC | Green |  | Ongoing |
| L.19 | Create and maintain a bounceback media operational plan for the reopening of all sites throughout all phases | JW | AJ | Completed |  | Completed |
| L.19 | Liaison with Cairngorms National Park for development opportunities at the HFM site for an open-air attraction for all year opening - £1M possible funding available  | JWM | JM | Green |  | Possibility of a future project within the CNP capital programme to enable the HFM to become a year-round attraction.  |
| L.20 | Develop future funding strategies with **sport**scotland to align with HLH and HC capital programme  | SW | SS | Green |  | Positive discussions between **sport**scotland and SW already taken place regarding current funding and future opportunities. Performance athlete funding secured for Inverness Leisure Programme for provision of additional training equipment.  |
| L.21 | Staff training and development opportunities whilst on furlough and beyond utilising the iHASCO online provision already in place | JWM | MM/CS | Green |  | Line managers requested to encourage staff with their own CPD and continue with their online iHASCO training. Part of the return to work but also the H&W programme. iHASCO availability extended for staff due to COVID-19  |
| **No** | **Action** | **Sponsor** | **Lead** | **Workstream Status** | **Blockers** | **Comments** |
| L.22 | Develop easing of lockdown visitor management strategy for HLH visitor attractions  | JW | JM | Completed |  | Strategy concluded that on line booking for all sites reopening in phase 3 to manage customer numbers. May be able to relax this once social distancing is relaxed. Completed  |
| L.23 | Investigate environmental funding opportunities to improve the HLH estate | SW | SS | Green |  | Ongoing – Collaborative working with the HC on the installation of PV cells, LED lighting and Electrical Vehicle Charge points |
| L.24 | Review the HLH Asset Management Plan – discuss opportunities with the HC | SW | SS | Green |  | Ongoing |

**APPENDIX B**

**Summary of HLH Board events and key decisions**

**19 March 2010 - HLH Board meeting**

* Initial estimates of deficit **£11.4m**
* Initial actions – staff safety and welfare; support Council in civil contingency; mitigate financial losses

**2 April 2020 - Special Meeting of HLH Board**

* Board Approval to make an application to HMRC on the UK Govt JRS scheme

**16 April 2020 - Covid-19 Situation report to HLH Board**

* Projected budget gap **£4,753m** (based on September re-opening)
* Update on Recovery Action Plan
* Update on financial mitigation plan

**14 May 2020 - Special Update to HLH Board**

* Update on JRS
* Update on Financial Scenario
* Update on Recovery Action Plan

**25 May 2020 - Finance and Audit Committee**

* JRS update
* Financial update **£4.384m** deficit

**18 June 2020 - Highlife Highland Board Meeting**

* Financial update **£3.3m** deficit (sensitivity range **£1.3m** to **4.1m** (deficits))
* Further financial mitigation measures approved
* Approved removal of JRS scheme top-up of 20% for all furloughed staff
* Recovery Action Plan approved

**10 August 2020 - Finance and Audit Committee**

* Financial update **£1.5m** deficit (sensitivity range **£0.8m** to **1.8m** (deficits))

**16 November 2020 - Finance and Audit Committee**

* Financial update - net position of a positive variance to budget of **£1.68M - projected year-end deficit of circa £1.3M**.