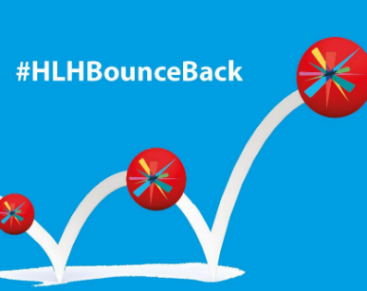
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| HIGH LIFE HIGHLAND  REPORT TO BOARD OF DIRECTORS  24 March 2021 | AGENDA ITEM  REPORT No HLH / /21 |

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

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| **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. the continued collaborative working with the HC regarding access to the school estate post lock down, whilst acknowledging that 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 remains focussed on the ‘*new business as usual model’* and the creation of a strategic-level corporate programme management plan. | | |
| **1.**  **2.**  2.1  2.1.2  2.1.3  2.2  2.2.1 | | **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 with HLH making great progress with building staff and customer confidence and increasing the membership numbers and customer participation again.  In December 2020, the First Minister announced that mainland Scotland would move to Tier 4 Measures effective from Boxing Day. As a result of the announcement, HLH was no longer be able to provide many of its services and therefore moved to only essential staff being asked to come to work between 26 December and until further notice.  The tier 4 restrictions are currently due to be lifted on or around 26 April 2021, with reviews leading up to this date to examine if this easing can be brought forward. This paper details the revised plan for *hlhbounce****back*** *ii*, including updates on the recovery themes and recovery action plan, re-RAGged to reflect the current position.  **Operational readiness**  Throughout the lock down, the HLH estate has continued to be retained at a readiness state, to enable a swift return to business to be achieved as and when restrictions are eased or lifted. The business remains agile and responsive to change with key staff, on a rotational basis, covering strategic areas to ensure statutory compliance, security and a general oversight of the estate. This has also included the Inverness Botanic Gardens site where staff have continued to maintain and where possible improve the facility for the planned reopening to visitors. | |
| **3.** | | **Key Themes** | |
| 3.1  3.2  3.2.1  3.3  **4.**  4.1  4.1.1  4.2  4.2.1  4.2.2  4.2.3  4.2.4  4.3  4.3.1  4.4  4.4.1  4.5  4.5.1  4.5.2  4.6  4.6.1  4.7  4.7.1 | | 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 revised four tier system when this is announced. The RAP will, in due course, be replaced by the Corporate Programme Management Plan.  Legend  The 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** |   **Theme Updates**:  **Theme 1 - Staff health and wellbeing – Operational status – AMBER**   * 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.   We continue to maintain a strong focus on this, with numerous staff engagements and consultations. More information on staff health, wellbeing and welfare can be found in the Health and Wellbeing and Human Resources reports elsewhere on the agenda.  **Theme 2 - Condition and rejuvenation of the existing estate/facilities/ buildings – Operational status – AMBER**   * 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. Prior to the current lockdown, protocols and procedures were put in place to enable sites to be retained at an operationally ready state. The work focussed on retaining compliance with the statutory items such as legionella prevention and water safety management, building security and general housekeeping, to remain COVID secure and prepared to adapt if necessary to any evolving COVID landscape with the associated additional or indeed relaxed COVID 19 measurers.  The estate remains ready to be reoccupied as and when the Scottish Government lock down restrictions are lifted. Staff specialist training qualifications have also been maintained and as such, the estate and staff teams are poised ready to ‘#*bounc****back***’ into operation again.  **Access to the School estate**  The importance of access to the school estate and the wider community lets, has already become a topic of discussion with THC. However, with an anticipated cautious approach from THC to wider access to the school estate, HLH continues to work collaboratively with THC and other partner organisations to ensure that we are best placed to reoccupy these areas, in line with the Government and local HC restrictions.  The difficulty is the equity of access/provision of HLH operated activities and the THC/school lets system. Whilst it is appreciated that THC continue to experience resource difficulties with regards to FM staff for the school lets, this shouldn’t be permitted to hinder the HLH recovery activities. Indeed, HLH have already agreed to take on any COVID-19 related cleaning requirements for any site before and after usage to alleviate any perceived burden on THC FM teams, until they are more able to resume this. Our financial planning scenarios are predicated on the basis of full access to all of the HLH/School sites. Any obstruction to this would, therefore, severely impact recovery and ultimately HLH’s financial position. Good progress is being made with THC colleagues, however, should access not be permitted then this key theme indicator would be revised with the outcome to be shown as RED due to the negative financial implications associated with this.  **Theme 3 - Customer engagement – Operational status – AMBER**   * 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 *high****life*** 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 – AMBER**   * 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 THC service delivery teams remains strong and is working well. Strong partnering with **sport**scotlandand Creative Scotland will continue to remain critical going forward.  **Theme 5 - Financial Stability and security – Operational status – AMBER**   * 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 within the finance report elsewhere on this agenda, details a predicted year-end surplus of circa £1.68M. This projection is based on lockdown continuing until the end of the financial year with the majority of employees placed on furlough leave.  Since the reopening of leisure facilities at the end of August *high****life*** membership income continued to recover with £278K earned in December representing 50% of pre-pandemic revenue. Following the return to lockdown, *high****life*** income has reduced by 28% with more customers expected to either freeze or cancel their subscription whilst leisure facilities remain closed.  **Theme 6 - Lessons identified within this COVID-19 ‘season’ – Operational status – AMBER**   * 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 maintain and improve our online presence. Our experience with the online music tuition will continue to serve us well as this is one area where access to the school estate is, understandably, to remain restricted until further notice. 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 – AMBER**   * 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 continue to test and adjust our ‘offering’ as and when restrictions are lifted or imposed. 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. | |
| **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:   * Staff welfare issues around easing of restrictions, returning to work and fatigue * Major external issues affecting HLH ability to deliver services (Pandemic lockdown etc) * 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** | |
| 6.1  6.1.1  6.1.2 | | *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. Once restrictions are lifted, it would be anticipated that numbers will grow, along with customer and staff confidence.  That said, HLH is confident that it can recover within 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 will be expanded over the coming FY. | |
| 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. Staff welfare issues around easing of restrictions, returning to work and fatigue have been identified with a risk management plan required as part of the mitigation strategy. | |
| 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. the continued collaborative working with the HC regarding access to the school estate post lock down, whilst acknowledging that 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 remains focussed on the ‘*new business as usual model’* and the creation of a strategic-level corporate programme management plan. | | | |

Designation: Chief Executive

Date: 11 March 2021

**APPENDIX A**

**V9.0 – 24 Mar 2021**

**Legend**

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| **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. In December 2020, the First Minister announced that mainland Scotland would move to Tier 4 Measures effective from Boxing Day. As a result of the announcement, HLH was no longer be able to provide many of its services and therefore moved to only essential staff being asked to come to work between 26th December and until further notice.

The tier 4 restrictions are currently due to be lifted on or around 26 Apr 21, with reviews leading up to this date to examine if this easing can be brought forward.

Learning from the initial phases it clearly demonstrated that the main challenges for HLH within our ‘*Bounce****Back***’ campaign would be customer and staff confidence. Staff welfare issues around easing of restrictions, returning to work and fatigue will also present challenges as we reopen the estate but managers and staff will continue to work together and where necessary identify where preventative assistance and or early engagement with individuals is required to help mitigate any such occurrences.

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

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| **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 | Amber |  | 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 |

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| **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 | Amber |  | 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. |
| 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 | Amber |  | 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. Monitoring for staff furlough/COVID fatigue during the return to work process |
| 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 | JWM  JW  DW | Green |  | **Caithness Horizons** – discussions ongoing with THC – - full funding critical to the success of year 1 **Lochalsh Leisure** – Removed from the transfer list – Mgt Cttee to continue to operate this. |
| **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. |
| 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 |

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| **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**.

**Dec 2020 – High Life Highland Board Meeting**

* Financial update - positive variance to budget of £1.68M with a projected year-end deficit of circa £560K.
* Recovery Action Plan update

**22 Feb 2021 - Finance and Audit Committee**

* Financial Update - positive variance to budget of £1.12M to the end of December;
* Projected year-end surplus of circa £1.65M

**4 March 2021 – THC Meeting**

* Confirmation of THC guarantee of £3.4m in FY 21/22