**High Life Highland (Trading) CIC**

Minutes of Meeting of the Board of High Life Highland (Trading) CIC held remotely on Wednesday 14 December 2022 at 10.30 am.

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| **Present:**  Mr D Beaton  Mr M Boylan (Vice Chair)  Mr M Golding (Chair)  Ms A Matheson | Mr I Ross  Mr M Tate  Ms L Strang |
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| **In attendance:**  Mr S Walsh, Chief Executive  Mr J Martin, Director of Corporate Services  Mr J West, Director of Culture and Learning  Ms F Hampton, Director of Inverness Castle  Mr D Wilby, Director of Sport and Leisure  Mr S Swanson, Head of Investment and Programme Management  Mr N Johnston, Head of Finance  Ms A Bell, Marketing PR and Communications Manager  Mrs J Mackenzie, Principal Business Support Manager  Ms S Menzies, Business Support Officer  Miss J Maclennan, Company Secretary’s Office  Miss M Murray, Company Secretary’s Office | |

**Mr M Golding in the Chair**

**Business**

## Apologies for Absence

Apologies for absence were intimated on behalf of Mr K Nicol and Mr K Tudhope.

## Declarations of Interest

There were no declarations of interest.

## High Life Highland (Trading) C.I.C. Key Business Objectives and Corporate Values

There had been circulated, and was **NOTED**, a summary of High Life Highland’s purpose, key business objectives and corporate values as extracted from the High Life Highland Business Plan 2022-27.

## Confirmation of Minutes

The Board **APPROVED** the Minutes of the Meeting of the Board of High Life Highland (Trading) C.I.C. held on 31 August 2022.

## Matters Arising – Board Meeting of 31 August 2022

There had been circulated, for information, matters arising from the meeting of the Board held on 31 August 2022.

In relation to item 8iv, the Chief Executive explained that, contrary to what was indicated in the paper, discussions as to what further information on catering margins should be included in future performance reports had not yet taken place. He apologised to Mr M Tate for the error and confirmed that full discussions would take place and the matter would be brought back to the next meeting.

In relation to item 9ii, it was confirmed that the opening hours at Café North had been reviewed and it was proposed to bring them forward to 10.00 am, closing at 2.00 pm during the week and 3.00 pm at weekends, which appeared to be the optimum time for footfall.

The Board:-

1. **NOTED** the position; and
2. ***AGREED*** *that item 8iv be amended from “Complete” to “Ongoing” and that an update would be brought back to the next meeting.*

## Finance Report

There had been circulated Report No. HLHT/10/22 dated 6 December 2022 by the Chief Executive providing an update on the overall financial performance of High Life Highland (Trading) C.I.C. for the period 1 April to 30 September 2022.

During discussion, the clear report and the steps taken to better separate out the trading categories were welcomed, and the Chair undertook to have onward discussions regarding sub-categorising.

The Board **NOTED**:-

1. the net position for the 6 months to the end of September was a profit of £314k;
2. the projected final out-turn for the year was a surplus of £369k, which represented a negative variance to budget of c. £184k;
3. the losses incurred by the catering establishments detailed in the report; and
4. the performance indicators detailed in Appendix E of the report.

## Budget Planning 2023/24

The Chief Executive gave an update on the planning for the Trading Board budget for financial year 2023/24 which, it was explained, would be presented to the next meeting for approval. However, it was anticipated there would be considerable engagement with Trading Board Directors, particularly the Chair, in the interim. Catering was one of the greatest areas of challenge, and difficult decisions would have to be made.

An update was also given on the main charity’s budget-setting process, during which information was provided on the scale of the challenge, the proposed transformation process to create financial stability and sustainability, the engagement to date with The Highland Council, and the next steps.

Following discussion, the Board **NOTED** the position.

## Performance Report

There had been circulated Report No. HLHT/11/22 dated 23 August 2022 by the Chief Executive presenting performance information for the period July to September 2022.

In introducing the report, the Director of Sport and Leisure explained the reason for the Amber Q2 RAG rating in respect of performance indicator 4 (Leisure retail profit margin) and suggested there might be merit in reviewing the sensitivity of the indicator. In relation to performance indicator 3 (Tripadvisor rating), he suggested that better RAG definitions might be Green = 4.1 stars and above, Amber = 3.5 to 4 stars and Red = 3.4 stars and below. If Directors were content, he would make the suggested amendments for the next report.

During discussion, the following points were raised:-

* Tripadvisor ratings were important in terms of people selecting where they wanted to go, and the decisions to be made in respect of the catering service. As discussed at the earlier pre-meeting, it would be worthwhile researching other Tripadvisor sites/ratings;
* on the point being raised, it was explained that performance statistics were now provided in tables in the finance report. However, there was the option of providing trend information using graphs, as had happened previously, and the Director of Sport and Leisure confirmed that he was happy to consider this with Mr Boylan having offered to support the consideration of this prior to the next meeting;
* further information was sought, and provided, as to what lay behind the Red RAG rating in respect of performance indicator 2 (Catering profit margin);
* it was important to ensure consistency of approach between the finance report and the performance report; and
* in relation to performance indicator 6 (Money donated to parent charity), it was suggested that, for clarity, the Amber RAG definition be amended to “forecast to underachieve budget by less than 5%”.

The Board:-

1. **NOTED** the performance overview contained in the report;
2. **NOTED** the streamlined approach to the provision of performance information; and
3. **AGREED** the proposed RAG definitions for performance indicator 6, as set out in section 3 of the report, *subject to the Amber definition being amended to “forecast to underachieve budget by less than 5%;*
4. ***AGREED*** *the suggested amendments to the RAG definitions for performance indicator 3, as detailed above, subject to research on other Tripadvisor sites;*
5. ***AGREED*** *that consideration be given to showing trends over time.*

## Catering Update

There had been circulated Report No. HLHT/12/22 dated 28 November 2022 by the Chief Executive presenting an update on catering.

Detailed discussion took place on the various catering sites, the associated challenges and potential courses of action, and clarification was sought, and provided, on a number of points. Issues raised included the need to balance the commercial imperative of the Trading Company with the nuances of the main charity’s social objectives; the importance of a careful communications plan in respect of Hilton Community Centre Café; the need for the previously requested detail on margins to better understand the service; the possibility of consulting current/former Board Members who were more directly involved in catering; and the need to reflect on the skills within the organisation and identify any gaps where external expertise might be helpful.

In terms of next steps and timescales, the Chief Executive explained that a comprehensive review of the catering service would be carried out early in the new year and it might be necessary to seek to call a Special Meeting of the Trading Board.

The need to move forward at pace having been recognised, the Board:-

1. **NOTED** the update;
2. **NOTED** the successful application for Cost-of-Living Support Grant of £10k at Hilton Community Centre Café;
3. **AGREED** to cease the café operation at Hilton following the completion of the Cost-of-Living Support project;
4. **NOTED** the intent to review the Café Aqua and Canal Park operation in order to mitigate losses; and
5. **NOTED** that engagement with funders would be undertaken with regard to NCVC in order to assess long term sustainability of the site.

## Charging Review

There had been circulated Report No. HLH/25/22 dated 2 December 2022 by the Chief Executive, due to be considered by the High Life Highland Board in the afternoon.

In the interests of transparency, Mr M Tate explained that High Life Highland was a member of the Cairngorms Business Partnership, of which he was the CEO. However, he did not consider this to be a conflict of interest.

Detailed discussion took place on the contents of the report and the merits or otherwise of charging for admission versus an entry by donation model, during which the need to balance commercial viability and the main charity’s core values was reiterated. Clarification was sought, and provided, on a number of aspects and, on the point being raised, it was confirmed that work could be undertaken to determine the percentage of visitors to the facilities in question who donated.

The Chair undertook to ensure Directors’ comments were shared with the main Board in the afternoon.

The Board:-

1. **NOTED** the report prior to its submission to the High Life Highland Board meeting in the afternoon; and
2. ***AGREED*** *that work be undertaken to determine the percentage of visitors to the facilities in question who donated.*

## Risk Register

There had been circulated Report No. HLH/FA/12/22 dated 13 October 2022 by the Chief Executive considered by the Finance and Audit Committee at its meeting on 14 November 2022.

In introducing the report, the Head of Investment and Programme Management suggested that, given the discussions regarding the catering service and the critical decisions ahead, consideration be given to increasing risks HLH16 and HLH17, which were owned by the Trading Company and related to non-income generating sites and the Catering Strategy, from C:3 to A:2 and putting Risk Management Plans in place.

During discussion, Directors concurred with the Head of Investment and Programme Management’s suggestion. It was further commented that it would be helpful to understand more about the transformation work referred to by the Chief Executive and how it linked in to the Trading Board.

The Board:-

1. **NOTED** the review of the combined Risk Register; and
2. ***AGREED*** *that risks HLH16 and HLH17 be increased from C:3 to A:2 and that Risk Management Plans be put in place.*

## Business Growth Updates

A presentation was provided on Business Growth priorities, namely, High Life Subscriptions; Donations; Visitor Attractions; Events and Festivals; Outdoor Activities; Levelling Up Fund Projects; and Health Improvement.

During discussion, the following comments were made:-

**High Life Subscriptions**

* the progress that had been made and the increased visibility of High Life on social media platforms were welcomed;
* as the cost of living crisis continued, more affordable forms of leisure would become increasingly popular;
* information was sought, and provided, on the trajectory back to 100% of pre-pandemic subscription levels and the learning from the Black Friday promotion and the campaign whereby new subscribers were entered into a prize draw; and
* the diverse ways of trying to increase membership numbers were welcomed. However, it was necessary to be mindful of reputation.

**Donations**

* in relation to Text to Donate, it was questioned whether there might be more forward-looking options that the younger generation in particular would be more likely to use; and
* further information was sought, and provided, as to how it was intended to encourage legacy donations, during which the need for sensitivity was emphasised.

**Visitor Attractions**

* the figures in respect of the key sites were commendable and benchmarked well within the industry.

**Events and Festivals**

* Directors commended the “BOOtanics” Halloween event and expressed thanks to the team for their efforts. Given the significant number of people on the waiting list there was a lot of potential for next year, should High Life Highland be again running the event.

The Board otherwise **NOTED** the presentation.

## Marketing Presentation

The Marketing and Communications Manager gave a presentation on all MPRC activity since the last update in June 2022.

The Board **NOTED** the presentation.

## HLH Trading Board 2023 Meeting Dates

There had been circulated Report No. HLH/23/22 dated 14 November 2022 by the Chief Executive, due to be considered by the High Life Highland Board in the afternoon.

The Board **NOTED** the HLH Trading Board dates and format for 2023.

At the conclusion of business, the Chair commented that the number of agenda items, compared to the same time last year, demonstrated the progress that had been made in terms of good governance of the organisation and future planning, and he thanked Directors for their positive engagement. Despite the challenges on many different levels, and whilst there were areas for improvement and difficult decisions to be made, the Trading Company was still a profit-making company, and he commended the Chief Executive and his team for their efforts.

The meeting concluded at 1.00 pm.