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| HIGH LIFE HIGHLAND REPORT TO BOARD OF DIRECTORS26 MARCH 2024 | AGENDA ITEM REPORT No HLH/ /24 |

## **CHair/chIEF EXECUTIVE UPDATES - Report by Chief Executive**

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| **Recommendation**The purpose of this report is to provide Directors with information and the opportunity to discuss issues affecting HLH and its work at an early stage.It is recommended Directors:1. comment on and note the updates; and
2. agree to continue with the entry by donation model at the Highland Folk Museum.
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| **1.** | **Business Plan Contribution** |
| 1.1 | High Life Highland’s (HLH) purpose is Making Life Better. The HLH Business Plan contains eleven Business Outcomes which support the delivery of this purpose, and this report supports the following highlighted outcomes from the Business Plan:1. Seek to continuously improve standards of health and safety.
2. Commit to the Scottish Government’s zero carbon targets and maintain the highest standards in environmental compliance.
3. **Use research and market analysis to develop and improve services to meet customer needs.**
4. **Increase employee satisfaction, engagement and development to improve staff recruitment and retention**.
5. **Improve the financial sustainability of the company.**
6. **Value and strengthen the relationship with THC.**
7. Develop and deliver the HLH Corporate Programme and seek to attract capital investment.
8. Use research and market analysis to develop and deliver proactive marketing and promotion of HLH and its services.
9. Initiate and implement an ICT digital transformation strategy across the charity.
10. Develop and strengthen relationships with customers, key stakeholders and partners.
11. Deliver targeted programmes which support and enhance the physical and mental health and wellbeing of the population and which contribute to the prevention agenda.
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| **2.** | **Chief Executive Update** |
| 2.1 | The Chief Executive will give a verbal update on mobile libraries. |
| 2.2 | Entry by Donation at Highland Folk Museum: |
| 2.2.1 | In 2007 admission charges at HFM were removed as part of the Year of Highland Culture celebrations. Following this, visitor numbers doubled, and it was decided to continue not charging for admission. In 2014 this was reviewed again, and a decision taken to continue not charging and to implement a new, very proactive ‘Entry by Donation’ strategy. The financial effectiveness of this approach was reviewed again in October 2022, by independent consultants IPW. IPW concluded that it was financially advantageous, at that time, not to charge for admission. The HLH Board decided to continue the approach in 2023 and to revisit the decision at the end of the season. |
| 2.2.2 | Overall visitor income in 2023 (£550,038) has exceeded what was earned in any previous year since HFM opened, with visitor income per head increasing from £7.47 in 2022 to £8.19 in 2023. |
| 2.2.3 | The income comparison below is based on the same assumptions and formula applications employed by IPW in their 2022 report. Additionally, income from the introduction of car parking charges in 2023 has been factored in.

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|  | **2022** | **2023**   | **IPW projection for charged admission in 2023**  |
| Visitors   | 59,892  | 67,211  | 40,303  |
| Admission charges  | n/a | n/a  | £302,272  |
| Donations  | £221,885  | £253,618 | £22,881  |
| Retail & catering | £225,424  | £274,741  | £164,618  |
| Car parking £  | n/a | £21,679  | n/a  |
| Additional staff cost £  | n/a | n/a  | -£60,000  |
|   |   |   |   |
| **Total £**  | **£447,309** | **£550,038** | **£429,771**  |
| variance  |   |  +23% | -21.9% (compared to 2023 actual) |

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| 2.2.4 | Based on the comparison above from season 2023 and the projected income reduction of a charging for admission model, it is recommended to continue with the entry by donation model meantime. This will continue to be reviewed to ensure this is the best model. |
| **3.** | **Chair Update** |
| 3.1 | The Chair will give an update on continuing challenges and the need for continued growth. |
| **4.** | **Implications** |
| 4.1 | Resource Implications – there are no new resource implications arising from this report. |
| 4.2 | Legal Implications - there are no new legal implications arising from this report. |
| 4.3 | Equality Implications – there are no new equality implications arising from this report. |
| 4.4 | Risk Implications – there are no new risk implications arising from this report.  |

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|  **Recommendations**It is recommended Directors:1. comment on and note the updates; and
2. agree to continue with the entry by donation model at the Highland Folk Museum.
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Designation: Chief Executive

Date: 21 February 2024

Author: Steve Walsh, Chief Executive