

**LIVE ACTIVE LEISURE LIMITED BOARD
MINUTES OF THE MEETING OF THE BOARD OF LIVE ACTIVE LEISURE
Held on Thursday, 27th June 2024 at 5.10pm, Dewars Centre.**

Present:

Company Directors

Mr D MacLehose, Councillor B Brawn(Online), Mr I Collins, Mr D McKelvey,

Company Officers

Mr P Cromwell (LAL Chief Executive Officer), Ms V Haston – (LAL Head of Finance), Mrs D Gaffney (LAL Head of Corporate Support Services), Mr A Brown (LAL Head of Contracts & Compliance), Miss G Edwards (LAL Board and Committee Administrator)

PKC Officers

Mr D Littlejohn, Mr S Crawford

Mr D MacLehose in the Chair.

1 Apologies

Apologies were received on behalf of:

Company Directors – Councillor B Leishman, Councillor S Carr, Mrs L Scott, Dr D Carey, Mr G McKenna, Mr G Clark.

Company Officers - Mr G Watson (LAL Director of Operational Services)

PKC Officers - Mrs K Johnston

Welcome – Gordon Clark

Following the last Nominations Committee meeting Gordon Clark has been appointed as a new director. Mr Clark resides in the Kinross area and has previous experience in senior positions including Manager and Company Director - with the experience he has developed over the years he will be able to support the Board in many areas including, Leadership, Strategic Direction, Financial Planning, and Asset Management amongst others. Gordon's strengths from the skills matrix include Human Resources, Property and Health and Safety.

2 Declarations of Interest

Directors were reminded of their statutory duty to declare any financial and non-financial interests they may have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest, in accordance with the Conflict-of-Interest Policy.

There was no Declarations of Interest.

3 Minutes

The minutes of the Board meeting on 25th April 2024 were approved.

4 Matters Arising

Blairgowrie Recreation Centre – the presentation regarding the update on this project will now be presented at a future board meeting.

Ownership of BSC venue/land clarification

The Company have received further advice from the Company's legal advisers' which states "To all ends, PKC own the ground and are landlord. LAL is the tenant. However the lease terminates, the buildings/venue will revert to PKC as they own the land.

At the moment, it can be said that LAL "own" the venue because it's held on a long lease which gives LAL proprietary rights."

PH20 Modelling to be raised with PKC – An update to Directors was provided by the Chief Executive by email on the 7th May 2024.

Update on Equal Pay – This is a significant project that the Company is currently working through to understand the complexity of the risk which the Company could face in relation to potential Equal Pay challenge with PKC as the 'associate employer'. Further updates will be submitted to the Board.

5 **Stephen Crawford (PKC) – PH20 Project Briefing.**

Mr S Crawford gave an update on the PH20 project since the Leisure Asset Review was agreed at the Perth and Kinross Council meeting in January 2024. Council officers and the project team have been working on the instructions of the council, which will be presented to full Council meeting on the 4th September 2024.

The main points included:

- options appraisals for PH20 (with accommodation schedule agreed in January 2024) will be provided to full council on 4th September, additional options for the inclusion of ice facilities will be presented including revenue and capital modelling.
- An alternative city centre site location for a new build option will be presented.
- Other changes that have had to be taken into consideration since January and which impact wider discussions include;
 - HES confirmation of Bells' Sports Centre listing, future options for the use of Bells' are being considered.
 - Scottish Water plans (commence 2026) to complete flood mitigation works to improve drainage infrastructure at Bells Sports Centre / North Inch.

Mr S Crawford left the meeting.

6 **Committee Updates**

6.1 Finance and Governance Committee

The last Finance and Governance meeting took place on 30th May, the main areas that were covered included:

- Year-end Financial Report and reserves policy which will be covered in Agenda Item 7.4.
- Company Risk Register – see below.
- Short Term Project Manager Post to be created to support the ALEO Review Transformation – The Company have agreed to this position which will support ALEO and PKC teams and provide additional capacity to support the completion of the ALEO review. Costs will be shared across the four partner organisations.
 - The mechanism of applying for transition funding from PKC (as detailed in the Leisure Asset Review) was raised. Mr D Littlejohn will report back to the Board on the process.
- The risk and security of information that is being emailed out to Directors – a directors SharePoint portal is currently being developed to eliminate the need to send out information and attachments by email. Further updates to be provided.

Company Risk Strategy/Register LAL/24/10

The Chief Executive gave an update on the Company Risk Strategy and Register, this is currently updated and reviewed quarterly by the Finance and Governance Committee and yearly by the Board.

There are currently 3 risks which after mitigation are measured as 'red' against the risk rating profile, these are Risk 8, Financial resources to deliver planned and contracted service model. Risk '20' relating to two specific areas relating to the ALEO review and potential impact on staff teams.

Resolved:

- The Directors agreed the Company's approach to Business Risk Management as detailed in the Business Risk Management Strategy (Appendix 1).
- The Directors note and agree the current risks identified in the Business Risk Register (Appendix 2).
- The Directors agreed to delegate the ongoing review of the Risk Register to the Finance and Governance Committee as detailed in the strategy.
- Mr Littlejohn agreed to report back on details around transition funding.
- Progress the development of Directors SharePoint portal.

7 **Reports**

7.1 PKC Scrutiny and Performance Committee Update LAL/24/11

The Chief Executive and Chair, David Macle hose attended the PKC Scrutiny and Performance committee meeting held on 12th June 2024. The Company are required to attend this meeting as part of the Councils' statutory duty to 'follow the public pound' and ensure Best Value.

The following information was provided to the committee:

- Key risks/ issues identified in the submitted AGS report and plans to address.
- Plans underway to implement the ALEO Transformation Review Recommendations.
- Most recent Management Accounts and supporting commentary.
- Presentation on the transition plan from Bells Sports Centre to Dewars, campuses and other venues.

7.2 Health and Safety Quarterly Report LAL/24/12

The Head of Contracts and Compliance presented the Q3 and Q4 update and the full year Health and Safety Performance Information.

The main points from the report were:

- The overall year end venue usage was up 4% on the previous year.
- The Company's Public accident rate has reduced to 5.4 per 10000 visits which is below the national benchmark.
- Total number of public accidents has also reduced from 736 in 22/23 to 570 this year. The falling accident rate and reduced accidents are evidence of the proactive approach taken by the company to review and learn from any accidents that do occur.
- 287 or 50% of the 570 accidents which occurred were categorised as either Activity / Sporting injury or Ill Health / Nosebleeds / Pre-Existing Conditions. Accidents categorised in this way are generally beyond the control of the company.
- Total staff accidents were up 18% on last year.
- The number of near misses recorded in 23/24 is up 40% on last year. This is mainly attributed to the raised awareness and improved H&S culture amongst staff that our accuracy of reporting has improved.
- The Company recorded 14 incidents of unacceptable violent behaviour from customers and 9 of verbal abuse. This is an increase and continues to be monitored.

It was requested that the death at PLP be recorded and reported as a 'stand alone' item, recognising the significance of the incident.

7.3 Training and Development Report 23/24, LAL/24/13

The Head of Corporate Support Services presented the board with a summary of the workforce training and development over the last financial year.

The main points from the report were:

- Training is provided to staff using a range of methods including, in-person and online courses, delivered both in house and by external organisations, and online modules using our Learning management system (Enable).
- A total of 3147 hours of internal training took place, the majority of this (2342) was ongoing training for holders of the National Pool Lifeguard Qualification.
- There were 19 different external training courses which staff attended.
- In total 26 different courses were offered in the online 'Enable' training system during the year with 864 attendances.
- An internal audit was carried out in 2023 and identified key areas of improvement which are being addressed.
- The Company work with a number of partners including, Fitness Training Scotland, Perth College and SD Consultancy on the SVQ Programme.

Mr Collins noted that there was limited training opportunities offered around wellbeing in particular women's health. Mr Collins also noted whilst acknowledging training had been provided around syringes enquired whether training on the administration of Naloxone had been considered. Mr Collins comments were acknowledged, and further consideration would be explored in relation to how and if relevant training could be offered within these subject areas.

7.4 Q4 Performance Report

The Head of Finance presented the draft Company's performance for the period 1 January 2024 to 31 March 2024. This includes the full year draft position.

The main points from the report were:

- Q4 operating income for the quarter is 90% of budget and 94% of Q4 in the previous year, despite the operating difficulties with Perth Leisure Pool and Bell's Sports Centre, the Company has achieved full year operating income 2% below budget and 8% over the budget set for the previous year.
- The Company's invested income has continued to benefit from a higher interest rate of 5.25%, The invested reserves have yielded £113k in Q4, and £225k for the full year.
- Staff costs for the quarter are 96% of budget for Q4 and completed the year at 95% of budget.
- Supplies & Services have come in at 94% of budget for the full year. Movements in these operational costs have been driven by the limited operational service at Bell's Sports Centre.
- Utilities are included within Property Costs. Due to some year-end adjustments Q4 utilities are 19% over budget but end the year at 5% over budget for the year. Other property costs including repairs and maintenance were 82% of budget at the year end.
- Going into 2024/25 the Company has identified and approved £175k of expenditure required on company properties.
- In this draft report of Live Active Leisure accounts for the year to 31 March 2024 (excluding Live Active Leisure Trading Limited) we have a full year draft deficit of -£27k compared with a budgeted deficit of -£630k.

In summary, we have benefited from a substantial amount of investment income, we have saved on staff and operational costs due to the closure of Bell's, and we have underspent on our property budget. These factors have helped to substantially mitigate the reduction in operating income.

Reserves

The updated reserves policy was approved at the last Finance and Governance Committee and circulated to all board members.

The Head of Finance gave an overview of the updated policy, two points that were raised were:

- The Company remain unable to attract comprehensive flood insurance cover for Perth Leisure Pool.
- BSC will be removed as an asset, further clarification will be sought on the accounting mechanism of this.

Resolved:

- The Directors approved the content of the report.
- Further advice will be sought from the Company's auditors on accounting matters.
- Directors agreed to the updated Reserves Policy.
- Directors agreed to the proposed use of reserves in 2024/25.

7.5 Company Projects

The Head of Contracts and Compliance gave an update on the Company's current projects:

- PKC Transformation Review of Leisure Assets – meetings continue to take place to move key actions forward.
- Recommendations from the PKC Leisure Asset Review:
 - Perth City Provision – PH20 and transition plan.
 - Energy Efficiency - proceeding with full environmental surveys at Live Active Loch Leven and Strathearn Community Campus.
 - Programming and booking – a working group has been established with PKC to develop consolidated booking and payment systems.
 - Community Halls – the Company has communicated that continued funding is available to users.
- ALEO Transformation Review
 - Progress was reported to PKC through the Scrutiny and Performance Committee detailed in Agenda item 7.1.
- Dewars Fitness Development:
 - An internal project team is now in place to deliver the requirements of the project including operations, programming and activities, health and safety, staffing, marketing and communications, and information technology.
 - Fitness Equipment Procurement – the tender has been awarded to Matrix fitness.
 - Building Works
 - Technical specifications and drawings for the gym, studios and changing rooms have now been submitted for Building Warrant approval.
 - Tenders for the gym and studio adaption works have been issued to contractors, with a return date due by the first week in July with work anticipated to commence week beginning 22 July.
 - The target opening date of the new gym and studios is 16th September.
 - The technical specifications for the changing room improvements are currently being developed, with tenders due to be issued by the 12 July with returns due by the 9 August – it is anticipated that this work will be completed by the 4 October.
 - Staff – the new staffing structure for Dewars Centre is now confirmed and ongoing engagement with staff teams is in place.
 - Finance - high level budget costs of circa £1m were provided for the delivery of the project. Budget certainty at this stage of the project is challenging (as detailed in the Building Works Section above). A 'staged' review of the budget position will be required as detailed costings emerge on each 'work package'.
- Bell's Sports Centre:

- At the meeting of Perth and Kinross Council on the 15 May 2024 the Company was granted approval to withdraw its services from Bell's Sports Centre with a target date of 31 August to vacate the facility.
- Activity and Programming - The strategic mapping and transition of sport clubs across the public estate in Perth City is progressing. It is looking positive that the vast majority of clubs can be accommodated in other venues although the equipment may not be of the same standard as BSC. Day time sports hall access will be limited.
- Staffing - the formal consultation process continues with contracted staff in an attempt to relocate into suitable alternative positions throughout the Company.
- Decommissioning Planning - A full audit of equipment has now been carried out and it is now being determined what can be 'harvested' and used elsewhere within the Company, offered to other organisations/clubs or requires disposal.
- Blairgowrie Recreation Centre Development – This development continues to be on schedule for completion towards the end of 2024. Discussions are currently underway to identify a proposed opening date, possibly early 2025, and a transition plan is being developed to ensure a smooth transition from the operations of the existing facility to the new venue.

Resolved:

1. Directors agreed the content of the report.
2. Directors agreed that further updates on Dewars Transition Plans and Staged Project Costing would be agreed by the full Board.

8.2 Board Committee Representation

The Chief Executive gave an update on the Directors Committee representation because of recent changes to the Company's Board of Directors. The Company's Committee structure plays a vital role in the effectiveness of the Board, directors are appointed to the various committees based on a range of factors including skills, experience and abilities. Mr G Clark has been added to the Property and Environment Committee.

Resolved:

Directors all agreed to the updated committee representation.

8 **AOCB**

Azets - A letter of engagement from the Auditors requires to be signed by two Directors.

Pitlochry High School – PKC have agreed to invest £8m into a new Pitlochry High School which will include new sports facilities, this project will see the transfer of activity from the existing venue (Live Active Atholl)

PKC Contract – This has now been agreed and payment will be received quarterly in advance.

Breadalbane Community Campus – There is ongoing staff shortage at this venue and work is being carried out to try and recruit more staff, however, this remains challenging. It is likely that opening hours will be impacted in the short to medium term. The Company continue to work with PKC on this issue and provide further updates.

The Chair has been to visit Blairgowrie, Aberfeldy and Crieff venues and was very impressed with staff enthusiasm and commitment shown at all venues.

Business Plan – Chief Executive commented that the Company's Business Plan is being reviewed, the updated plan will provide projections over a 3-year period. The development of the PH20 project will

Experience ○ Investment ○ Opportunity ○ Commitment

have a significant impact on the Company's plans and resource allocation over this time period, and therefore the decisions made by council in September are critical to this process.

9 **Date of Next Meeting** – 5th September 2024

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