

**LIVE ACTIVE LEISURE LIMITED BOARD
MINUTES OF THE MEETING OF THE BOARD OF LIVE ACTIVE LEISURE
Held on Thursday, 12th December 2024 at 5.00pm, Dewars Centre.**

Present:

Company Directors

Councillor B Brawn, Mr I Collins, Councillor S Carr, Dr D Carey, Mr G Clark, Mr D McKelvey

Councillor C McLaren

Company Officers

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

PKC Officers

Mr D Littlejohn, Mr S Merone

Mr I Collins in the Chair.

Councillor C McLaren and Mr S Merone were welcomed to the meeting, and both gave a brief introduction.

1 Apologies

Apologies were received on behalf of:

Company Directors - Mrs L Scott, Mr G McKenna

PKC Officers - Mrs K Johnston

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 24th October 2024 were approved.

4 Matters Arising

Transition Funding –information has been sent to PKC detailing the costs of transitioning facilities from Bell's Sports Centre to Dewars Centre.

Breadalbane Staffing / Recruitment Challenge – This remains an ongoing challenge, revised operating hours (reduced) have been put in place. These arrangements should provide some programme and service stability to staff and customers.

Rugby Club Pavilion/Bells Car park – the legal work has now been completed

Budget 2025/26 – Budget presentations will start with PKC next week, further discussion on agenda item, 7.2

Update on Equal Pay Review – Covered in Agenda item 6.1.

5 **Committee Updates**

5.1 Finance and Governance Committee

The Finance and Governance Committee meeting was held on the 31st October, the committee considered the Company performance for the first six months of the year and the September figures, this will be covered further at Agenda Item 7.1

5.2 HR JRC and HR Committee

The HR JRC met on the 28th November which is the forum for staff consultation.

There were a number of policies up for review, a number as a consequence of changes to employment law in April and October of this year. Policies reviewed were:

- Review
 - Grievance
 - Pension Provision and Preparing for Retirement
 - Leave in Special Circumstances
 - Paternity Leave
 - Right to Request Flexible Working
 - Disciplinary
 - Social Media
- New
 - Sexual Harassment

The policies were approved by the committee as part of the first stage of consultation.

All changes were agreed by both the HR JRC and HR Committee, relevant training will be provided to all staff regarding the changes and updates in the bi weekly staff newsletter - Bagels.

The HR Committee met on 5th December, the committee considered the update to policies and the Pay Award proposals for 25/26. Key issues that were included in the pay award considerations included:

- Financial Challenges
- Current inflationary rate – 2.5%
- The changes to National Insurance, which will see an anticipated increase cost to the Company of circa £175k.
- Ongoing ALEO Transformation Review and possible issues regarding Equal Pay (as an Associated Employer with PKC). Unison have also raised a challenge relating to this issue.
- Real Living Wage increase. Impacts c 55% of contracted employees and differentials on Company Pay & Grading Structure.
- The contribution of £99k that PKC have indicated will be awarded to the Company as part of the Scottish Government's additional contribution towards the 2024/25 pay award.
- Company's position as an accredited Real Living Wage Employer
- Comparable awards made to PKC and LAL over the past 5 years
- Local Employer rates of pay

Options put forward for consideration by Directors were:

- No pay award – the RLW increase would be applied which would have an impact on pay grades ie merger and reduced differentials. No pay award is therefore not an option as a RLW employer
- Flat 5% increase across pay and grading structure (in line with RLW % rise) – Costs to be provided
- Tiered increase based on earnings – this would allow for pay differentials to be maintained between grades (although differentials are narrowing) 5%-3%.

The Committee agreed to rule out the no pay option and costings were requested in relation to an overall 5% increase. Information to be considered by joint HR / Finance & Governance Committee.

5.3 Nominations Committee

The Nominations Committee completed Directors interviews on Thursday 5th December, the committee interviewed two candidates who were both successful and have been invited to join the Board. The next stage of the recruitment process will now progress.

6 Reports for Information

6.1 Company Projects

The Director of Operational Services gave an update on the Company's current projects:

- PKC Transformation Review of Leisure Assets
 - PH2O - The Project Team and Project Board have now been established with the Project Team meeting every 4 weeks and the Project Board meeting every 8 weeks. The Company has representation on both groups.
 - Key Areas discussed at the initial Project Board meeting included:
 - Project Management Agreement
 - Base Case Facility Mix
 - Leisure Water consideration
 - Risks
 - Procurement
 - Programme – High level draft
- The environmental and building performance survey studies (commissioned by PKC) at Live Active Loch Leven and Strathearn venues have now been concluded and draft reports issued
Capital costs of retro fitting any recommended improvements/interventions have been included in the reports along with the impact this would have on potential energy reduction and revenue cost savings. Once the reports have been finalised further details will be presented to the Company Board.
- ALEO Transformation Review
Key areas of progress over this period include;
 - Initial meeting of representatives from each ALEO tasked to explore ways in which the organisations can work more collaboratively on Environmental and Sustainability issues, initial discussions included Environmental Policy Development, energy reporting analysis, waste management, active travel, and staff training.

- The ALEO project team (Senior PKC Officers / ALEO CEOs) meetings have taken place on 24th October and 25th November 2024
 - Project Manager interviews were completed on 7th November, no appointment was made. Given timescales, the group agreed to progress with the procurement of an external consultant to complete the options appraisal.
 - Desktop review of Equal Pay has been completed by PKC. This review indicates that the Company's risk is low in relation to an Equal Pay Claim.
 - Since the ALEO meeting in November, the Company have received communication from UNISON which outlines their view that the Company is legally required to adopt PKC pay and conditions for all staff groups. Further discussions with PKC / UNISON and the Company's HR advisors are ongoing.
- Dewars Fitness Development:
 - The works are progressing on the new changing room provision; however, the contractor has advised that there has been an increase in the lead in periods for some of the materials, this along with the festive period construction closedown, have contributed to a short delay to the original scheduled completion date. The changing rooms are now scheduled to be completed towards the end of January.
- Blairgowrie Recreation Centre Development
 - The new Live Active Leisure Blairgowrie Centre is due to be handed over to Perth and Kinross Council in December with snagging works currently taking place.
 - The old recreation centre will continue to operate after the festive period up until the 10th January with the new centre provisionally scheduled to open to the community on the 20th January, although these dates are still to be confirmed.

6.2 Gender Pay Gap Annual Statement

The Head of Corporate Support Services presented the Gender Pay Annual Statement, regulations require organisations with over 250 employees to publish their pay results on their website and upload them to the Government portal by 4 April each year.

The Company had 272 contracted employees in post, of which 139 were female (51%) and 133 were male (49%). This was a 1% change on last year.

The mean gender pay gap is 1.48% in favour of men (an increase of 0.67 the previous year). The Office for National Statistics reported in October 2024 that the gender pay gap is 7.0% nationally.

The Company is committed to the promotion of equality of opportunity in its employment practices and is confident that males and females are paid the same rate of pay for the same job role regardless of gender.

6.3 FOI and General Data Protection

The Head of Corporate Support Services gave an update on the Company's annual compliance with the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 and the General Data Protection Regulations, UK GDPR.

The Company has responded to 8 FOI requests made under the legislation during the reporting period. All information was provided in full and within the 20-day framework. The Board were informed that some requests can be very time consuming for a number of officers and that there are currently no dedicated officers within the staff teams to support this area of work.

General Data Protection; there were three data breaches over the course of this reporting period. The breaches were deemed not reportable to the Information Commissioner's Office (ICO) but were recorded on the Company's Data Breach register.

The classes of information that the Company publish remains under review and discussions are in place to determine the content and how this will be published on the Company's website which is currently being redesigned.

All employees are required to complete an online awareness Data Protection training module as part of their induction. This has been reviewed, the roll out of the updated training module will take place in the first quarter of 2025.

6.4 Health and Safety Quarterly Report Q1 and Q2

The Head of Contracts and Compliance presented the Health and Safety information for Q1 and Q2 with the key points being:

- Public Accidents - Despite an overall decrease in the total number of accidents compared to the same period last year (330 vs 353) the accident rate per 10,000 visits has increased from 5.9 to 7.6. Whilst this is worthy of note and will continue to be monitored, it is not yet a concern and there is no obvious factor for the increase rate.
- All of the Company venues, with the exception of Perth Leisure Pool, achieved an accident rate below the national benchmark of 11 per 10,000 visits. The design and the nature of activities that the Leisure Pool provides creates more risk than a traditional pool.
- Total staff accidents are down from 13 last year to 7 this year with no RIDDOR reportable incidents.
- It is unfortunate that our staff, on occasion, are subject to instances involving unacceptable customer behaviour. We continue to monitor this and investigate every incident in order to support our staff and take appropriate action when necessary for the safety of all involved. This is managed through our Management of unacceptable behaviour and exclusions policy.
- The Company has refined the Swimming Pool Technical Operating Procedures (SPTOs) for each of our pools ensuring that our policy and procedures in this area is clear, understood by all, compliant with industry standards and comprehensively recorded across all venues.

6.5 PKC Scrutiny and Performance Committee Update

The Chief Executive and Chair attended the PKC Scrutiny meeting on 20th November, the report that was provided to the Committee included:

- 'Highlights' from 2024 – this showcased some of the great work which is being carried out by our teams to support our communities to be active.
- Update on the 'exit' plans and transition from Bells to Dewars Centre
- Most recent Management Accounts

6.6 2025 Board Meeting Dates

Dates for next year's Board Meeting dates were distributed.

7 Reports for Decision

7.1 Q2 Performance Review

The Head of Finance presented the Q2 performance figures July to September 2024. The Key points from the report were:

- The Company's Business model has changed significantly during this financial year, the closure of Bell's, the relocation of sports hall activity and the transfer of fitness activity to Dewars Centre. These changes have provided a complex and challenging basis to provide financial forecasting.
- The 24/25 budget was based on the new fitness facilities opening at Dewars from the beginning of July 2024. As the project was delayed for two months, Directors agreed to the provision of £180k set aside from reserves. The facilities opened on 21 September.
- Customer generated income for the second quarter is 82% of budget and 75% of the second quarter actuals of the previous financial year.
- Investment income in this quarter is on budget and is 239% of the previous year.
- Staff costs are 97% of budget for the quarter.

The Head of Contracts and Compliance presented the KPI's with the key points being:

- Overall Attendances at LAL Venues and Services 212,967– this is a decrease of 30% on the same period last year and 19% on 19/20.
- Overall Venue Attendances 203,980 – this is a decrease of 32% on the same period last year and 23% on 19/20.
- These reductions are principally due to the closure of Bell's Sports Centre (sports hall activity which has been relocated to schools is not reported by LAL) and the reopening of Olympia Leisure Centre in Dundee.

The overall financial position of the Group (excluding funded activity) at the end of quarter was a deficit of £-314k against a budgeted deficit of £-210k. This reflects the delay in the opening of the Dewars facilities.

Resolved:

Directors all agreed the contents of the report.

7.2 Budget 25/26

The Head of Finance presented the draft budget paper for 25/26, this will be presented to the Executive Leadership Team on 17 December 2024. The budget process will be ongoing until the full council meeting when the budget for Perth and Kinross is agreed, this is typically scheduled towards the end of February/ beginning of March.

The Company's draft budget has been developed by examining all venue and service income and expenditure streams, reviewing historical data, and using the experience and knowledge

of the Senior Management Team and the Venue/ Service Managers to make reasonable forecasts for the upcoming year.

The draft budget presented details a deficit of £270k for the financial year 25/26. At this time there are a number of variables and 'uncertainties' which may materially impact this position, including;

- The cost of the NI increase and possible compensation received from PKC (Scottish Government)
- Equal Pay Risk
- COSLA pay award – uplift of £99k in 24/25, it is not known if this will be replicated in 2025/26.
- Real Living Wage/Pay award – to be finalised.
- New Blairgowrie Recreation Centre – There is an additional net operating cost to the Company of at least £85k – figures are currently being reviewed and will then be communicated to PKC.
- Pricing and Charges for 25/26 to be finalised.
- Community Halls - In the current year PKC provided live Active with £30k of non-recurring additional funding to continue the management of the Community Halls. It was intended that halls should be transferred to communities using the Community Asset Transfer scheme. No halls have been transferred in this financial year. The cost of operating halls to be reviewed and will then be communicated to PKC.

Resolved:

- Directors approved the draft budget with an unmitigated deficit of -£285k.
- Directors agreed to retain the provision of £187k and the additional £180K to cover the potential deficit for 24/25.
- Directors agreed to delegate the approval of subsequent drafts and the final budget for 25/26 to the Finance and Governance Committee to be ratified by the Board.

7.3 Committee Structure

The Chief Executive gave an update on the Directors Committee representation due to the 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. Changes made include the addition of Councillor C McLaren to the HR Committee.

Resolved:

Directors agreed to the updated committee representation.

Councillor S Carr left the meeting.

8 **AOCB**

Gannochy Trust Funding

The Company has been successful in securing funding from the Gannochy Trust for a further three years. All of the existing programmes have been funded including an uplift to develop a swimming lesson support programme.

PKC Chief Exec and Leader

Experience ○ Investment ○ Opportunity ○ Commitment

The Chief Executive and Chair met with Grant Laing (PKC Leader) and Thomas Glenn (PKC CEO) to provide a tour of the new facilities at Dewars Centre.

9 **Date of Next Meeting** – 6th February 2025

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