

**LIVE ACTIVE LEISURE LIMITED BOARD
MINUTES OF THE MEETING OF THE BOARD OF LIVE ACTIVE LEISURE
HELD ON THURSDAY, 25th August 2022 at 5.00 pm at Dewars Centre.**

Present:

Mr D MacLehose, Councillor Steven Carr, Mr I Blair, Mr D Longmuir, Councillor Bob Brawn, Mrs L Scott, Mr I Collins (via video link), Mr C Allan (via video link).

Mr P Cromwell (Chief Executive Officer), Mrs D Gaffney (Head of Corporate Support Services), Mr A Brown (LAL Head of Contracts & Compliance) Mr G Watson (Director of Operational Services) Mrs H MacDonald (Projects and Business Support Officer) Mrs K Johnson (PKC), Mr D Stokoe (PKC).

Mr D MacLehose in the Chair.

1 Apologies

Apologies were received on behalf of Councillor Brian Leishman, Dr D Carey and Mrs F Robertson (PKC).

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 were no declarations of interest.

3 Minutes

The minutes of the Board meeting on 23rd June 2022 were submitted and approved as a correct record.

The areas of text highlighted to directors were deemed to be commercially sensitive and suggested to be redacted on publicly published minutes.

Resolved: Directors agreed to appropriate redaction of sensitive information as discussed.

4 Matters Arising

All matters arising are in progress / actioned.

5 Presentation: Active Schools Update (Tammy McKinlay – Active Schools Manager)

The Active Schools Manager discussed the role of the Active Schools team in helping to promote activity with local school-aged children in Perth and Kinross by encouraging them to participate in a daily hour of physical activity out-with school hours.

Active Schools projects and objectives were discussed including their current 'Kit for All' project introduced by the Active Schools team where donated kit is left in an area of the school where children that cannot afford kit, can take what they need free of charge. Councillor Steven Carr queried whether this was monitored as there may be a stigma attached to using this service that will stop children from accessing it. The Active Schools Manager confirmed that schools have considered this and have placed donation boxes in areas where this issue is minimised.

The challenges the Active Schools team are facing following the pandemic was highlighted by the reduction in volunteers and staff. Pre-pandemic the service had 300 volunteers and during 21/22 this

has reduced to 80. Mr I Blair queried what was required to help get staffing and participation levels back up. The Active Schools Manager explained that volunteer staff and funding is critical in helping to improve the overall participation numbers.

Mr D Stokoe explained that Perth and Kinross Council are keen to help where they can and could share their database of volunteers with Active Schools to help assist with recruiting volunteers.

Resolved: Further discussion with PKC colleagues regarding the potential to improve coordination of volunteer recruitment.

6 Verbal Update

Chairman's Update

The Chairman expressed his satisfaction that the Bell's Sports Centre re-development continues to attract new members and that Rodney Fitness Centre has successfully been decommissioned for handover back to Perth and Kinross Council on Wednesday 31st August.

To support the Company's Board Development, the Chairman confirmed his intention to schedule one to one meetings with Directors over the course of the next few months.

Resolved: Chairman to schedule one to one meetings with Directors in due course.

Public Reporting of Information

The Chief Executive Officer explained that the company is currently formalising the minute taking and redaction policy. Mr I Blair explained that redactions must not change the readability of the minutes and the text should still make sense to the reader. The Chief Executive Officer agreed and confirmed that this will be noted within the policy.

Resolved: Redaction Policy to be developed and considered by the Finance and Governance Committee.

Finance & Governance Committee Update

Mr I Collins confirmed that the Finance and Governance Committee continues to meet monthly to discuss changes in the financial forecast. The traffic light reporting system is currently used to help monitor performance against an indicated £1.2 million deficit this financial year. This forecast deficit is £600K more than the allocated funding from the Company's Reserves. Regular monitoring and scrutiny will continue to be required of the Company's finances given the range of complexities, challenges and uncertainty that is currently being experienced.

The Director of Finance confirmed that Q1 Financial performance will be discussed in more detail under Agenda item 8.

HR Update

The Head of Corporate Support Services explained that operationally, staff levels were improving. The company have arranged several Lifeguard courses available to the public - with a total of 111 people attending and 62% of participants being taken on as employees.

Some key roles continue to be difficult to recruit. The company is acutely aware that the current levels of staff in key areas is not sustainable and will require further thought on potential solutions, if recruitment continues to be a challenge.

Mr D Longmuir wanted to highlight that despite current recruitment challenges, the service that he received from the reception staff at Bell's Sports Centre when taking out a new membership was exceptional, and he would like to pass on his gratitude to the staff members involved.

7 Operational Update

Live Active Rodney

The Director of Operational Services confirmed that Live Active Rodney has been de-commissioned, and all equipment removed, contracts terminated, signage and website reference updated etc. The Company's 'lease' agreement and responsibility for the venue will terminate on the 31st August 2022.

North Muirton Community Hall – Transfer of management arrangements

The Head of Contracts and Compliance explained that the company currently manages nine community halls. Perth and Kinross Council colleagues are working with a local community group who intend to take on the management of North Muirton Community Hall. The Company will continue to support the smooth transition of arrangements. There is no impact on staffing and no material financial impact as a consequence of this change in arrangements.

7. Report for Information

Capital Projects

PH₂O

The Director of Operational Services explained that meetings are ongoing with the Senior Officer Group and Project Board for the PH₂O Project.

Mr I Blair explained that Directors would benefit from a briefing note to take into the Project Board meetings, so they are aware of what has been discussed previously by the Senior Officer Group. The Director of Operational Services explained that the company will set up meetings with Directors represented on the Project Board to discuss the outcomes of the Senior Officer Group meetings.

Mr D MacLehose queried who the company will be using for legal advice. The Chief Executive Officer confirmed that the Thorntons Solicitors have been appointed to provide legal advice in relation to the project.

Resolved: Project Board Directors to receive additional briefing in relation to PH₂O, where appropriate.

Live Active Blairgowrie

The Director of Operational Services explained that the new facility design planning submission was approved by the Council's planning and Place Making Committee on 10th August 2022 and the project will now progress.

[REDACTED]

The Company continues to be represented on the Project Board, contributing and supporting the venue's internal layouts, designs and equipment specification. Once the construction and opening dates are confirmed, an internal project programme will be developed to encapsulate and timeline key actions leading up to the opening of the new venue. Councillor B Brawn commented that he continues to receive positive feedback from the public regarding the project.

Bell's Sports Centre Fitness Development

The new Bell's Sports Centre Fitness Development opened on the 9th July 2022; the project was delivered on schedule with a small overspend of £175 on a projected budget cost of £750K. Given the economic and construction volatility over this period, the completion of this project to schedule/budget and to the level of quality achieved, the project is a great accomplishment by the project team.

The opening weekend was very well attended with 550 users attending either the fitness gym or classes with positive comments from those who attended. The free 7-day pass promotion was also very well received during July and August and resulted in an uptake of 470 passes which has generated initial sales of 83 Direct Debit Memberships, with a further 28 customers taking out a 30-Day Memberships. A more detailed performance report will be submitted to the Services and Communications Committee in due course. Mr D Longmuir queried whether the 7-day free pass could

be made a more permanent thing to help increase membership conversions. The Director of Operational Services confirmed that the company will do a full review of the offer and sales conversion rate and will consider extending this offer depending on performance.

8 **Report for Decision**

Financial Performance 2022/23- Q1

The Director of Finance discussed the Q1 Performance Report highlighting that operating income for the quarter has averaged at 81% overall of pre-covid levels. This is higher than the original forecast of 72%, therefore reducing the forecasted deficit from £1.8 million to £1.2 million.

Compared to pre-covid levels, Pay and Play/Bookings income is circa 88%, and Direct Debit swimming lesson income is 112%. However, Direct Debit fitness membership income is currently at 58% of pre-covid income for the period.

The 'Pay and Play' income of 88% includes the significant increase in casual swimming at Perth Leisure Pool that represents an additional £78K of income compared to pre-covid. This increase may be reflective of the closure of the Olympia in Dundee and the East Sands leisure centre in St Andrews reducing their opening hours. A sample of post-codes of those who visited Perth Leisure Pool in July highlighted 50% of users were travelling from Dundee and Fife. Without this increase in casual swimming, overall customer generated income would be reduced to 75% of pre-covid levels.

The overall reduction in income levels versus pre-covid income is currently being offset by an underspend in staffing costs. This is partly due to a slow return of relief staff, but also due to the number of staff vacancies. This saving is not sustainable, and costs will increase as vacant posts are filled. All other costs are tracking pre-covid levels as expected.

At present the Board have allocated £600K of reserves towards covid recovery and at the end of Q1 this reserve remains untouched. For the forecasted deficit to be reduced from a projected £1.2 million to £0.6 million, income levels would have to increase to 85% and staff costs would require to be maintained at 90% of budget. This is a moderately optimistic scenario, however, with the current cost of living crisis and expected energy inflation on top of the ongoing Covid recovery, this creates incredibly challenging conditions. Therefore, it is considered prudent to provide a forecasted deficit in the range of £0.6 million to £1.2 million.

Resolved: Directors approved the content of the Q1 Financial report.

9 **AOCB**

Equality Diversity & Inclusion

The Head of Contracts and Compliance confirmed that a review of the Company's Equality, Diversity and Inclusion Policy will be completed over the coming months, with the intention to present a draft policy to the Board in December 2022.

Resolved: Review Equality, Diversity and Inclusion Policy

Health & Safety JCC Meeting

The Head of Contracts and Compliance confirmed that the Health and Safety JCC meetings will be re-established over the coming months. Whilst there has been disruption to the scheduling of these meetings over the last two years, staff have been consistently consulted on Health and Safety matters including covid arrangements via electronic survey consultation.

The Annual Health and Safety survey results are expected by 1st September 2022. Once the results of the survey have been collated the full JCC meeting will be set up for the end of October/early November.

Resolved: Re-establish Health and Safety JCC Meeting

NOTE:

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