

**LIVE ACTIVE LEISURE LIMITED BOARD
MINUTES OF THE MEETING OF THE BOARD OF LIVE ACTIVE LEISURE
Held on Thursday, 31st August 2023 at 5.00pm, Dewars Centre.**

Present:

Company Directors

Mr D Maclehose, Mr I Collins, Councillor B Leishman(Teams), Councillor B Brawn

Company Officers

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

PKC Officers, Mrs F Robertson

Mr D Maclehose in the Chair.

1 Apologies

Apologies were received on behalf of:

Company Directors, Miss E Muirhead, Dr D Carey, Councillor S Carr, Mr D Longmuir, Mrs L Scott

Company Officers, Mrs D Gaffney (LAL Head of Corporate Support Services)

PKC Officers, Mr D Stokoe, Mrs K Johnston (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.

Ian Collins declared a conflict of interest on any discussions regarding investment decisions relating to the Bank Of Scotland.

3 Minutes

The minutes of the Board meeting on 22nd June 2023 were approved.

**4 Matters Arising
Martyn's Law**

The Company's Insurers confirmed it is not common for businesses in this area to have 'Terrorism' Insurance, given the assessed 'low' risk. Decision taken by Finance and Governance Committee not to progress.

PKC Service Level Agreement

This has been finalised and agreed.

Progress extended catering offer (extended contractor) at Dewars Centre

This is ongoing and discussed under 5.2 on the agenda.

ALEO Review

The project proposal scope document has been circulated. Both reviews are expected to be completed in December 2023, any decisions / outcomes which generate a material financial impact will need to be considered in the Company's 2024/25 and beyond budget position.

Burness Paull Training

The Company provided feedback on the training session, Burness Paull have offered a further session free of charge – scheduling to be agreed. The Directors Skills Matrix and policy has been updated and agreed by the Finance and Governance Committee. Directors' development programme to be developed based on completed skills matrix. There is a robust induction process in place for new Directors with governance playing a key part.

5 Verbal Reports

5.1 Finance and Governance Committee

This committee met on 30th August to discuss draft July figures. The main points were:

- Based on the draft position for July, it is still too early in the financial year to confirm any change to the final budget position identified for 23/24 of -£630K. The July staff budget figures should be considered as draft with phasing for the year currently being reviewed.
- Customer generated income for July has achieved 133% of July 22. Usages for July 23 are 94k compared to 73k for July 2022, an increase of 29%. Overall for the period from April to July total usages are 38% higher than the same period last year and are 7% higher than the same period pre-covid, which is very positive.
- At the end of July membership numbers are 3566 which is 95% of the 3772 members at the end of March 2020. Sales are averaging over 200 per month and July has had a net gain of 51 members
- Staff costs are at 98% of the draft budget for July 2023.
- Property costs are within budget and will continue to be monitored throughout the year to ensure expenditure is contained within budget
- In total the Company expect to receive £176k in bank interest on reserves, based on the base rate continuing to rise until the end of the calendar year at least. As the full year budget for bank interest was £30k this would be represent unexpected income benefit of £146k.

5.2 Dewars Centre

Catering – The catering offer will be extended to provide 'live' catering during the winter season. Performance will be monitored on an ongoing basis, and considered by the Finance and Governance Committee.

New Activities – New ways to maximise the use of the facilities to generate new income streams and increased usage are under consideration. Further details to be provided at the Board meeting in October. Potential options include Gymnastics / family climbing activity.

5.3 All Ability Bikes/Cycle Hub

The All Ability Bikes project based at Bell's Sport Centre provide a range of accessible bikes for the community. The success of the project and the ongoing purchase of new bikes is creating a storage capacity challenge. The bikes are currently kept in a storage container in Bell's Sports Centre car park. The Chief Executive will be meeting with PKC / Sustrans colleagues to discuss the potential of developing a Cycle Hub on the North Inch at Bell's Sport Centre which would provide a base for the all ability bikes, and provide wider cycle storage, services and align to the facilities at Bell's Sports Centre to promote active travel.

5.4 Community Halls

PKC provided funding for this financial year, on a non recurring basis, to maintain the operations of the Community Halls. These future arrangements for the halls will be considered as part of the Leisure Asset Review. The Company will continue to support PKC colleagues as the review progresses.

6 Report for Information

6.1 Directors Attendance

The Directors Attendance Schedule for Board Meetings in 2022 and 2023 was circulated. Further information to be provided on Director attendance expectations.

There are currently two Director vacancies, two notes of interest have been received. The Nominations Committee will be formed to support the recruitment process.

6.2 Company Projects

The Leisure Asset Review Document and the Transformation and Change 22/23-27/28 – Project Proposal Scope Document were circulated for comment.

The Director of Operational Services gave an update on the new development at Blairgowrie Recreation Centre, the early period of construction on schedule. Directors requested for images of build to be provided at future meetings.

7 Report for Decision

7.1 Q1 Business Performance Report

The Head of Finance provided the key details of the Q1 Report, including:

- Operating income for the quarter has exceeded budget and is 4% higher than pre-covid figures. The price increases in May had an expected yield of 5%. Taking this increase into account suggests that our operating income is on par with pre-covid levels.
- Compared to pre-covid levels, Pay and Play/ Booking income is reduced by around 15% excluding the casual swimming at Perth Leisure Pool. Income from Direct debit swimming lessons is 36% up, income from direct debit fitness memberships has reached 96% of the comparable pre-covid quarter.
- Casual swimming at Perth Leisure Pool has achieved a 40% increase on the pre-covid income.
- Staff costs for the quarter are higher than the previous year and 96% of budget for the quarter. Some of the increase can be explained by the pay award and the rise in the real living wage.
- Since the last Board meeting there have been no changes to the unrestricted reserves which remain at £5.3m.
- Overall Attendances at LAL Venues and Services are 304,777 – this is an increase of 37% on the same period last year and an increase of 2% on 19/20
- Overall Venue Attendances 297,060 – this is an increase of 40% on the same period last year and 4% on 19/20

The overall financial position of the group at the end of quarter was a surplus of £41k.

Resolved

All Directors agreed the content of the report.

7.2 Board Committee Representation

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. The Chief Executive gave a brief update of the Committee Director representation as a result of recent resignations. Councillor Brian Leishman will join the Property and Environment Committee to ensure appropriate Director balance and representation.

Resolved:

All Directors agreed the content of the report.

7.3 Environmental Management – Building Performance Report

The Director of Operational Services gave an update on the Building Performance Reports completed by Carbon Futures for the Company's core venues. A fabric-first approach is recommended since this can have significant impact on the heating consumption of a building. The phased improvement approach therefore considers the benefits of improved insulation of external walls, roofs and improved glazing as these are estimated to have the single largest impact on building energy consumption. There would be a capital spend requirement to generate revenue savings. The Leisure Asset Review will also consider Environmental Aspects of the leisure estate with investment and disinvestment recommendations.

Resolved:

- Directors agreed to further engagement with PKC in relation to the recommendations and links to the wider Leisure Asset Review.
- Directors agreed to a review of Unrestricted Company Reserves to be completed
- Directors agreed to engage Consultants to provide cost information in relation to all PLP energy recommendations and provide further detail on savings benefits
- Directors agreed to the potential for external funding to be investigated and detailed.
- Directors agreed to progress discussions relating to Geothermal Energy with key stakeholders, with initial engagement with Perth and Kinross Council to establish potential support for the project.

7.4 Company Asset Management Report

The Director of Operational Services gave an update of the Condition Surveys carried out on the Company's properties and the proposed approach to Property Asset Management for 2023 – 2024. The condition surveys confirm that the Company's venues are in 'fair' condition given their age. However, the surveys provide detail of the significant investment requirements over the next 15 years which total circa £9M. (Current financial reserves for Life Cycle Replacement total circa £1.7M). The Director of Operational Services will continue to develop investment plans to be completed this financial year. Outcomes of the Leisure Asset Review may impact on longer term investment requirements.

Resolved:

- Directors agreed to the approach outlined in this report for delivering the Company's Property Assessment Management Plan, maintenance of the properties and the governance arrangements
- Directors agreed for detailed investment plans to be considered and approved by Property and Environment Committee
- Directors agree to the continued engagement with PKC on the Leisure Asset review.
- Directors agreed to a review of Financial Reserves to be completed.

8 Chair Update

The Chair and Chief Executive Officer will be attending the Community Leisure UK meeting next Thursday in Crieff.

9 AOCB

Perthshire Rugby Club are considering proposals to develop the clubs 'leased areas' within Bell's Sports Centre. Proposals to be considered by the Board at a future meeting.

10 Date of Next Meeting – 26th October 2023

NOTE: TEXT IN RED IS CONSIDERED TO BE CONFIDENTIAL OR COMMERCIALY SENSITIVE INFORMATION AND WILL BE REDACTED FROM THE MINUTES POSTED ON THE COMPANY'S WEBSITE.