

**LIVE ACTIVE LEISURE LIMITED BOARD
MINUTES OF THE MEETING OF THE BOARD OF LIVE ACTIVE LEISURE
Held on Thursday, 26th October 2023 at 5.00pm, Dewars Centre.**

Present:

Company Directors

Mr D Maclehose, Mr I Collins (Teams), Councillor B Leishman, Councillor B Brawn, Dr D Carey, Councillor S Carr, Mr D Longmuir, Mrs L Scott.

Company Officers

Mr P Cromwell (LAL Chief Executive Officer), Mrs D Gaffney (LAL Head of Corporate Support Services) 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, Barbara Renton – PKC Executive Director.

Mr D Maclehose in the Chair

1 **Apologies**

Apologies were received on behalf of:

PKC Officers, Mrs K Johnston. Mr D Stokoe

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.

Mr A Brown left the meeting.

3 Amendment to the agenda - the Company Accounts sign off and Director elections were postponed until the December Board

4 **Minutes**

The minutes of the Board meeting on 31st August 2023 were approved.

5 **Matters Arising**

Introducing new activities at Dewars Centre – This potential project has been temporarily paused to consider the impact of the flood damage at Bell's Sports Centre, and any necessary relocation of activity.

Update on All Ability Bikes/Cycle Hub – An initial meeting was held on 18th September with key stakeholders which was very positive with enthusiasm being shown for the project – no further meeting dates have been set at this time.

Update on set up of Nominations Committee – There has been four applicants who will be interviewed on 8th November by the nominations committee.

(It was also formally noted that Eve Muirhead had resigned from the Board with immediate effect, the Board recorded their appreciation of the contribution that Eve had made.

Images on the build at Blairgowrie Recreation Centre – These will be presented at the next Board meeting.

Mrs L Scott arrived.

Update on Environment Management – Building Performance Interventions – Follow up work to establish capital costs based on the Carbon Futures Reports is ongoing. This piece of work is connected to the work currently being undertaken as part of the PKC Leisure Assets Review.

Update on Company Asset Management Report – Identified essential works is now progressing across the estate.

Update on Perthshire Rugby Proposal – There is no further update on this proposal at this time.

Dewars Catering – The new arrangements have recently commenced, feedback to date has been positive.

6 Verbal Reports

6.1 Service and Communications Committee

Mr D Longmuir gave an update on the Services and Communications meeting held on the 22nd September. A range of updates were provided including Marketing, quarterly reports for Community Delivery (Sport, Active Schools, Wellbeing), Venue Delivery (Aquatics, Gymnastics, Summer Programme) and Fitness (Perth City & Locality). The committee also considered the Bell's Sports Centre fitness development 12-month review which identified that the majority of key targets had been achieved. The Committee received a report on customer service relating to the recently completed 'mystery' visit campaign, the report identified positive feedback but also some inconsistencies between venues and a particular gap in relation to staff upselling services and products. The customer services policy will be reviewed, additional relevant training to be developed.

Mrs F Robertson Arrived.

6.2 Finance and Governance Committee

Mr I Collins gave an update on the Finance and Governance Committee Meeting on 25th October. The finance figures presented up until the end of September. The figures at this time were positive with year-to-date income at 112% of budget, usages for September 23 are at 100k compared to 84k for September 2022. At the end of August membership numbers were 3597 which is 95% of March 2020. The flooding at BSC has had a significant impact on performance and income.

The Head of Finance presented the Investment Strategy Report which is looking at taking advantage of the high interest rates and moving the Company's money to get a better return. One of the options that was put forward was to use Cazenove who specialise in managing funds for charities. It was agreed that the Company would use at least four different A+ financial institutions.

All Directors agreed with this approach.

6.3 HR Committee

Mrs L Scott gave an update from the HR Committee held on 17th October. There was a discussion around the Pay Review and the Real Living Wage, the committee recommends staying in the RLW but discussions will continue when more information is available. Mrs F Robertson requested that the Head of Corporate Support Services contact PKC regarding RLW accreditation. The following policies have been reviewed and were approved, Smoking Policy, Substance Misuse, Social Media, Standards of Appearance and the Cycle Scheme. Changes to the Senior Management Team remits and portfolios were also reviewed and agreed.

7 Report for Information

7.1 Company Projects

The Director of Operational Services presented the report:

- Blairgowrie Recreation Centre Replacement build is going well, the Company is represented on the Project Board.
- Leisure Property Asset Review – review is progressing

- ALEO Transformation Review – A workshop has taken place with Glasgow Audit. CEO's have developed key areas identified where there are opportunities for collaboration and shared service provision.

8 Report for Decision

8.1 Bell's Sports Centre – Flood Impact

Following the flooding of PLP and BSC in August 2020 the Company have been unable to secure typical Insurance for surface water damage for either Perth Leisure Pool or Bell's Sports Centre. The Company provided financial resilience for future risk by developing an Insurance Reserve with an allocation of £2.5M. Unfortunately, on Sunday 7th October the whole of the North Inch area was widely impacted by flood water and subsequently Bell's Sports Centre was badly affected. There was significant widespread water ingress throughout the venue and into the head office space. As has been widely reported the flood gates on the North Inch were not closed during the peak water levels. This matter is currently subject to a PKC investigation. Positively Perth Leisure Pool, did not suffer any significant water ingress.

Over the first week after the flood the water was removed from exterior and interior areas with visual inspections being carried out to assess damage. Consultants have been engaged to carry out surveys of affected areas. Once the Structural/Fabric & Mechanical & Electrical surveys have been carried out a report will be produced to detail the damage to Bell's Sports Centre along with projected budget costs and a draft timeline to repair and reinstate.

The current closure at Bell's Sports Centre impacts a range of customer groups and activities including clubs, events, schools, sportshall and fitness customers. The Company are working with partners to develop opportunities for activities in other locations within Perth city, fitness classes have been able to restart within upstairs studios in Bell's Sports Centre and at Dewars Centre.

The Gannochy Trust have been kept updated on the situation.

Barbara Renton, PKC Executive Director thanked everyone for inviting her to speak to the Board and for the Company's input into the impact of the weekend of the 7th/8th October. Mrs Renton confirmed that elected members have asked for a review to take place regarding the flooding incident, this will be presented to PKC Scrutiny Committee on 22nd November.

Resolved:

1. The Directors agreed to delegated authority to relevant sub committees to consider matters relating to issues of Finance, Service Impact and delivery, Property issues.
2. The Directors agreed to develop Customer / Stakeholder Communication Plan
3. The Directors agreed to develop Reinstatement Costs / Timeline Plan
4. The Directors agreed to continue liaising closely with PKC in relation to Leisure Asset Review / PKC Flood Investigation.
5. The Directors agreed to develop options appraisal to guide investment recommendations.

8.2 Draft Budget Forecast 2024/25

The Head of Finance presented the draft budget forecast for 24/25, the preparation of this report commenced prior to the flooding event and therefore includes typical operating costs and trading arrangements at Bell's Sport Centre.

Although the Company is performing well against budget in the first half of this fiscal year the magnitude of uncertainty following the flood leads us to revert to the original budget position of a £630k deficit to be covered from reserves as a starting position. This will be further reviewed as more information is gathered and understood.

In the absence of insurance covering surface flooding damage, any costs necessary and agreed to reinstate Bell's Sports Centre will draw on the Company's Insurance Reserve which sits at £2.5m. In line with the intention to use this reserve as a substitute for insurance cover it follows that the Company may also wish to consider loss of income due to business interruption.

Experience ○ Investment ○ Opportunity ○ Commitment

The draft budget indicates a deficit forecast position for the financial year 24/25. (to deliver the same services as 23/24) The budget forecast will be further developed and refined – and will be guided by key recommendations and agreed actions from the PKC Leisure Asset / ALEO reviews which will be completed in December 2023 and further emerging information relating to Bell's Sports Centre.

Resolved:

- 1.The Directors Agreed the content of the report
- 2.The Directors Agreed to delegate authority to the Finance and Governance Committee to consider further updates
- 3.Directors Agreed to instruct SMT to continue to liaise with PKC re: Budget process and requirements.

- 9 **AOCB**
The Director of Operational Services confirmed that PLP has closed temporarily to respond to notification of a pool water contamination. The Company follow the PWTAG recommendations in respect to pool operating protocols.

- 10 **Date of Next Meeting – 14th December 2023**

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