

**LIVE ACTIVE LEISURE LIMITED BOARD  
MINUTES OF THE MEETING OF THE BOARD OF LIVE ACTIVE LEISURE  
Held on Thursday, 14<sup>th</sup> December 2023 at 5.00pm, Dewars Centre.**

**Present:**

Company Directors

Mr D Maclehose, Mr I Collins, Councillor B Leishman, Councillor B Brawn, Councillor S Carr, Mr D Longmuir.

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(Teams), Mr T Glen PKC CHO.

Mr D Maclehose in the Chair

1 **Apologies**

Apologies were received on behalf of:

Company Directors, Dr D Carey, Mrs L Scott.

PKC Officers, Mrs K Johnston.

2 **Welcome – Thomas Glen PKC CHO**

3 **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.

Mr I Collins declared an interest with cyber security.

Please Note : The order of the agenda items were amended at the meeting, and proceeded as follows:

**13.1 Company Projects December 2023**

The Director of Operational Services presented the report:

- **Bell's Flooding Impact** – The planning process around the future use of Bell's Sports Centre is linked to the outcome of the PKC Leisure Asset Review.

Options that were discussed for the reinstatement of Bell's Sports Centre include:

- Full Closure and relocation of the 'fitness activity' to Dewars Centre
- Full reinstatement of Bell's
- Partial Reinstatement of Bell's– this would include the fitness gym and classes along with a reduced sports hall provision and reduced squash courts.
- Relocate all of the fitness aspect to Dewars and have a reduced sports hall and squash provision at BSC.

These options will be scoped and costed and reported back to the Property and Environment committee.

- **Blairgowrie Recreation Centre Development** - The construction of the new Blairgowrie Recreation Centre commenced on 15<sup>th</sup> May 2023 with completion anticipated towards the end of 2024. The Company continue to support the project and are represented on the 'project board'
- **PKC Leisure Property Asset Review** - The draft report has now been circulated with the following key themes contained within it:
  - Perth City Provision – looking at three sites being consolidated to one.
  - Locality Provision/swimming - developing business cases to upgrade pools at Strathearn Campus and Live Active Loch Leven
  - Highland Perthshire –a separate review being carried out in Pitlochry with public consultation ongoing.
  - Programming and booking – Consolidating LAL and ECS lets – this has already worked with outdoor pitches.
  - Community Halls – To facilitate Community Asset Transfer.
  - Energy Efficiency – to consider and fund key energy saving measures.The final report will be presented to Council in January 2024.
- **PKC ALEO Transformation Review** - The final approved report (Appendix 13.1.1 and 13.1.2) was circulated to ALEO CEO's / Chairs and Company Representatives on Tuesday 21<sup>st</sup> November and presented to council on 6<sup>th</sup> December 2023, all recommendations detailed in the report were agreed by council.

The Chief Executive Officer commented that whilst the outcomes of the PKC Leisure Asset Review and ALEO Transformation Review are likely to bring a period of change, challenge as well as opportunity, it is necessary that the company have clarity on the council's priorities for sport and leisure provision moving forward. Whilst there is still a requirement ( in the reviews ) for further details to be developed the Company welcomes this opportunity for clarity on strategic direction.

Thomas Glen, CEO PKC thanked the board for inviting him to the meeting and explained how the financial challenges which are faced by both organisations are significant and that changes are inevitable. Mr Glen confirmed that reviews do not have a predetermined outcome and any agreed outcomes will provide everyone a chance to develop stronger working relationships and work more effectively moving forward.

Mr T Glen and Mrs F Robertson left the meeting.

#### 4 **Annual Accounts and Report by Chairman**

The Head of Finance introduced the highlights of the Azets Audit Report. The report was a positive reflection on the Company's financial arrangements. Key areas noted include the Company's position as a 'going concern' which was supported by a PKC 'letter of comfort'.

The Head of Finance commented on internal audit arrangements, which were highlighted as a risk in the ALEO review. It was confirmed that internal audit was included in key members of the Finance Teams job descriptions but due to internal team movement the capacity to complete this area of work had not been possible in recent times. This will be reviewed, in line with the ALEO review action plan.

#### **Resolved:**

Directors agreed the Annual Accounts for LAL and LALT

#### 5 **Live Active Leisure Board – Retiral of Independent Directors**

In terms of Article of Association 54, two Independent Directors shall retire at each Accounts Sign-off Board Meeting, but each of them shall, providing he/she is willing to act, be eligible for re-appointment.

In terms of Article of Association 55 the Independent Directors to retire at each Accounts Sign-off Board Meeting, shall be those who have been longest in office since they were last appointed or re-appointed, if three or more Independent Directors were last appointed or re-appointed on the same date, the question of which of them are to retire shall be determined by some random method.

Mr D MacLehose, and Mr I Collins will therefore fall due to retire by virtue of their seniority. They are eligible for re-election.

## 6 **Appointment of Independent Directors**

### **Resolved:**

Mr D MacLehose and Mr I Collins were re-elected.

## 7 **Appointment of Chair**

The Board is required to appoint a Chairman of the Board in terms of Articles of Association 62-64.

Mr D MacLehose stepped forward for another year. No other nominations were received for consideration.

### **Resolved:**

Mr D MacLehose was re-elected.

## 8 **Appointment of Vice Chair**

The Board is required to appoint a Vice-Chairman of the Board in terms of Article of Association 62.

**Note:** In terms of Article of Association 64, a director shall be eligible to hold office as Chair or Vice Chair for a maximum period of 5 years following which a year must elapse before he/she will be eligible for re-appointment to that office.

Mr D Longmuir was appointed Vice Chair in October 2018.

The Chief Executive thanked Mr D Longmuir for his contribution to the Company in his time as Vice Chair. Mr D Longmuir will be staying on as a director.

Mr I Collins put himself forward for the Vice Chair position, there were no other candidates.

### **Resolved:**

Mr I Collins was elected as the Vice Chair.

**Note:** \*The Chairman and Vice Chairs appointed above will also serve as the Chairman and Vice Chairs of the Live Active Leisure Trading Board

## 9 **Appointment of Auditors**

Azets are contracted as the Company's auditors for the financial year 2023/24

## 10 **Minutes**

The minutes of the Board meeting on 26<sup>th</sup> October 2023 were approved.

## 11 **Matters Arising**

### **Update on Nominations Committee**

The nominations committee completed interviews on 8<sup>th</sup> November 2023, the formal process to finalise the appointment of Colin Mckelvie is now progressing.

## **Bell's Sports Centre – Flood Impact**

- To develop Customer / Stakeholder Communication Plan - ongoing
- Continue liaising closely with PKC in relation to PKC Leisure Asset Review / PKC Flood Investigation – The LAR will be put to full council on 22<sup>nd</sup> January, it is anticipated that a draft report will be available before the end of the calendar year to circulate. A Teams meeting may be organised to discuss the report before it goes before council.
- SMT to develop costs / timelines re : Bell's flood damage to guide investment recommendations – to be considered by Property and Environment Committee.

#### **Draft Budget Forecast 2024/25**

- Refine and develop further budget modelling – Agenda item 14.3
- SMT to continue to liaise with PKC re: Budget process and requirements – the CEO confirmed that the Company's budget forecast position for 24/25 will need to be presented to PKC budget review group in January 2024, however the current uncertainty around decisions on PKC Leisure Asset Review and Bell's add additional complexity to the process.

## 12 **Verbal Reports**

### **Finance and Governance Committee**

Mr I Collins gave an update on the Finance and Governance Committee Meeting on 29<sup>th</sup> November. The finance figures presented were up until the end of October. The figures at this time were positive with year-to-date income at 106% of budget, usages for October 23 are at 81k compared to 90k for October 2022. During October, as a result of the Bells gym closure, 297 memberships were cancelled. The memberships fees collected will not reflect this fully until the following month. Olympia has now reopened but the impact on swimming activity, may not be known until the end of the 4<sup>th</sup> Quarter. The risk register was discussed by the committee with an additional risk added in relation to the ALEO Transformation Review, along with an update on Cyber Security where the Head of Finance is further developing procedures and protocols.

### **Property and Environment Committee**

Mr D Longmuir gave an update on the Property and Finance Committee Meeting on 5<sup>th</sup> December. The areas that were discussed were:

- Historic Environment Scotland – The latest feedback is that the Arena Dome and perimeter rooms of BSC meet the listing criteria.
- Perth Leisure Pool – The pool is now reopened following the contamination although the outdoor pool remains closed at this time. The Company's procedures and protocols in relation to response to contamination, disinfection and pool operating protocols are comprehensive and robust. More regular reviews of information to educate customers on 'how' they can proactively help will be developed.
- Reinforced Autoclaved Aerated Concrete (RAAC) – Further intrusive surveys completed across the Company's core venues have identified the presence of RAAC at Bell's Sports Centre, the areas identified have been cordoned off, with restricted access arrangements in place. Further advice and costs are being developed.
- PLP Flood Mitigation – There has been no significant impact of surface water flooding at PLP since 2020, a range of local surface flooding measures have been introduced since 2020. Further work with the Company's flood specialist / PKC has continued, with the next stage of work agreed to investigate existing ground soakaway tanks and infrastructure.
- BSC Flooding Impact – there are still various surveys being carried out that are at different stages and updates to these will be brought back to the Property and Environment committee.
- Mr D MacLehose has communicated to T Glen, PKC CEO regarding the issues and challenges at Bell's Sports Centre caused by the flooding incident.

### **Bell's Sports Centre HES Listing**

The Company have received a report from Historic Environment Scotland confirming the proposal that the Dome and Perimeter are under consideration to be listed. There will be a period of public consultation, the Company can provide comment to HES in advance of this by the 18<sup>th</sup> January.

## 13 Reports for Information

### 13.2 Health and Safety Quarterly Report

The Head of Contracts and Compliance gave an overview of the Health and Safety performance information relating to Quarters one and two of financial year 2023/24. This was a positive report with the main comments being:

- Despite a significant increase in visits to the venues, the Company's Public accident rate has reduced from 9.3 to 5.9 per 10,000 visits against the same period in 22/23.
- Total number of public accidents has also reduced from 422 in 22/23 to 353 this year. A 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
- 166 or 47% of the 353 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.
- There have been more staff accidents in Q1 and Q2 this year (14) than there were in the same period in 22/23 (10).
  - These accidents have been monitored with training being provided where necessary.
- The number of near misses recorded in Q1 and Q2 this year is 65, this is compared with 66 recorded in the same period last year but should be considered an improvement given the increase in visits to the venues.

The company has seen a reduction in both the overall number and the rate of accidents this year when compared to the previous year. In addition, 47% of the accidents which did occur, were out with the control of the company and therefore not preventable.

### 13.3 Gender Pay Gap

The Head of Corporate Support Services gave an update on the Gender Pay Gap to meet the Company's statutory requirements.

There were 271 contracted employees in post, of which 142 were female (52%) and 129 were male. These gender differentials remain the same as the previous reporting year.

The mean gender pay gap is 0.81% in favour of men (down 3.39% on the previous year). This is the difference between men's average hourly rate of pay and women's average hourly rate of pay.

The median gender pay gap is 0%, compared to 2.66% in favour of men in the previous year.. This is the difference between the middle hourly rate of pay of all men and the middle hourly rate of pay of all women.

## 14 Report for Decision

### 14.1 FOI and General Data Protection Regulations

The Head of Corporate Support Services updated the Directors with an annual report on the Company's 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 key points were:

- This reporting period covers January 2022 – September 2023
- The Company has responded to 13 FOI requests all within the timeframe of 20 days.

- The Company has not received any requests under the Environmental Information (Scotland) Regulations 2004.
- There were two data breaches over the course of this reporting period. The breaches were deemed not reportable to the ICO but were recorded on the Company's Data Breach register

The Company's Data Protection Policy has been reviewed and updated to reflect current legislation, guidance and best practice. A new policy has been developed which reflects the expectations of the role of the Data Protection Officer.

**Resolved:**

- Directors agreed to the content of the report
- Directors agreed to the revised Data Protection Policy
- Directors agreed to the New Data Protection Officer Policy

**14.2 Q2 Financial and Performance Report**

The Head of Finance gave an update on the Q2 financial position, the key points were:

- Operating income for the quarter has exceeded budget by 15% for the period and is 31% higher than the previous year.
- Compared to Q2 of the previous year Pay and Play/ Booking income has increased by 16.5%
- Live Active has benefited from the rise in interest rates. Our invested reserves have yielded £38k. YTD our investments have yielded £65k and at the end of Q2 the Company has committed interest income for the full year of £105k
- Staff costs for the quarter are higher than the previous year and 95% of budget for the quarter
- The overall financial position of the group at the end of quarter was a small surplus of £10k.

**Resolved:**

- Directors agreed to the content of the report

Councillor Bob Brawn left the meeting.

**14.3 Draft Budget 2024/25**

The Head of Finance presented the Draft Budget for 2024/25, the Company will be required to provide an initial budget submission to Perth & Kinross Council, although no timetable has been communicated from PKC yet. The Company's financial performance in the current year materially impacts on the forecast position for future years. The first half of this year has been broadly positive with income ahead of budget and costs being contained below the budget set. Following the flood at Bell's Sports Centre and the recent temporary closure of Perth Leisure Pool, income and expenditure to the end of the year has been reforecast. The resulting forecast shows a deficit at 31 March 2024 of -£432k. This will be considered the best starting point for the following financial year.

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:**

- Directors agreed to the content of the report
- Directors agreed to delegate authority to the Finance and Governance Committee to consider further updates

Mr I Collins left the meeting.

15 **Presentation – Blairgowrie Recreation Centre Project**

This will be presented at the next meeting.

Experience ○ Investment ○ Opportunity ○ Commitment

16 **AOCB**

**Board Meeting 2024 Dates** – Dates for the next years meeting were agreed and will be sent out as calendar invites.

**PLP Walkway** – Following a recent structural survey the walkway from Glasgow Road to PLP has had to be closed due to essential works being necessary.

17 **Date of Next Meeting – 8<sup>th</sup> February 2024**

**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.**

\*Briefing session on PKC Leisure Asset Review was held on 10<sup>th</sup> January, 2024 – All Directors in attendance.