

EAST AYRSHIRE LEISURE TRUST

MINUTES OF MEETING HELD ON TUESDAY 27 JUNE 2017 AT 1800 HOURS IN THE RECEPTION ROOM, GRAND HALL, LONDON ROAD, KILMARNOCK

PRESENT: Independent Trustee Elizabeth Young; Councillors Ian Grant, Clare Maitland, Elena Whitham, Neil McGhee and Jim Roberts; Independent Trustees Jean Brown, Robin Hume, Jackie Livingston, Robert Mann and June Minnery; and Chris McAleavey, Depute Chief Executive: Safer Communities and Joe McLachlan, Corporate Accounting Manager, both East Ayrshire Council, ex officio Trustees.

ATTENDING: John Griffiths, Chief Executive; Adam Geary, Cultural Services Manager; Chris Murphy, Sport and Community Venues Manager; Jackie Biggart, People and Finance Manager; Anneke Freel, Countryside Services Manager and Lorraine Russell, Senior Accountant, all East Ayrshire Leisure Trust; and Gillian Hamilton, Democratic Services Officer, East Ayrshire Council.

CHAIR: Independent Trustee Elizabeth Young, Vice Chair.

WELCOME AND INTRODUCTIONS

1. The Chair welcomed everyone to the meeting, in particular the new Trustees, and introductions were made. The Chair advised that Councillor Douglas Reid had stood down as Trustee/Chair. Councillor Reid had supported the Trust from its inception, through a range of challenges and achievements, to the present time and the Chair thanked him personally and on behalf of the Board. The Chair then advised that Councillor Iain Linton had stood down as Trustee and that Councillors Hugh Ross and Eoghann MacColl were no longer Trustees as a consequence of no longer being members of East Ayrshire Council. On behalf of Board, the Chair thanked all three for their hard work on behalf of the Trust.

DECLARATIONS OF INTEREST

2. No declarations of interest were intimated.

MINUTES OF PREVIOUS MEETINGS

3.1 MINUTES OF BOARD MEETING HELD ON 16 MARCH 2017

There were submitted and approved as a correct record, subject to a minor textual amendment to reflect that the meeting terminated at 1900 hours, the minutes of the Board meeting held on 16 March 2017 (circulated).

3.1.1 Matter Arising

It was reported verbally by the Chief Executive and noted that following consideration by the Board and the Trustees of Kilmarnock Leisure Centre, the findings of the Best Value Service Review of Leisure, Sport and Culture and associated recommendations had been approved by East Ayrshire Council on 23 March 2017. Progress on implementing the recommendations of the review would begin when the proposed Shadow Integration Board was brought together. East Ayrshire Council would be co-ordinating the initial meetings and it was expected that the Shadow Integration Board would consider an action plan and timescales at its first meeting.

3.2 MINUTES OF PERFORMANCE AND AUDIT SUB-COMMITTEE HELD ON 22 MAY 2017

There were submitted for information and noted, the minutes of the Performance and Audit Sub-Committee meeting held on 22 May 2017 (circulated).

3.2.1 Matter Arising

It was agreed that Joe McLachlan would follow up with the Council's Head of Finance and ICT and provide Trustees with an update on progress with the implementation of the IT Disaster Recovery Plan, which was currently showing as not completed in the Internal Audit follow-up for the Ticketing and Booking System.

ANNUAL PERFORMANCE REPORT - APRIL 2016 TO MARCH 2017

4. There was submitted a report dated 12 June 2017 (circulated) by the Chief Executive which provided details of the Trust's performance for the financial year 2016/17. The results showed sound financial performance with steady progress on increasing attendances at core venues despite challenging financial and economic circumstances.

It was agreed:-

- (i) to approve the Annual Performance Report for 2016/17;
- (ii) to defer the designation of funds proposed in the report;
- (iii) to note that a full report on the results of the Customer and Staff Satisfaction Surveys would come forward to the next Board meeting in September and would provide a baseline position for future performance measurement;
- (iv) to note that auditing, monitoring and improving environmental efficiency across core facilities was taking place on an ongoing basis and the Trust was working with East Ayrshire Council to ensure venues/facilities met environmental objectives;
- (v) to note that gas and electricity meter readings were gathered for all facilities, reports collated and monitored. This activity would remain in the new Business Plan, linked to the Best Value Review of Leisure, Sport and Culture;
- (vi) to note the timescales, reported at the meeting, in relation to funding bids to support design upgrade of www.futuremuseum.co.uk with project partners and to support investment in display at the Dean Castle;
- (vii) to note that the target for increasing general participation/attendance levels across service areas would be profiled better for next year's Action Plan;
- (viii) to note that the actual outturn at 31 March 2017 in the Financial Performance Report was a favourable surplus of £61,760 following a budgeted draw down from reserves of £150,860;
- (ix) to note that the adverse variance of £10,479 under Governance Costs was a consequence of additional works which had required to be carried out under this heading;
- (x) to note that close monitoring took place to minimise the cost of irrecoverable VAT;
- (xi) to note that the adverse variance of £70,739 under Employee Costs was due to several long-term absences across Performing Arts and Cultural Development Teams and the use of bank staff to ensure venues remained open;
- (xii) to note the Homewords Van balance of £360 in the Unusable Reserves Table which was now released as uncommitted;

- (xiii) to note that the Homewords Van fit out had been achieved at a cost of £2,500 and that the £2,500 balance of allocated reserves was re-designated for promotion of new Mobile Libraries;
- (xiv) to note the Trust's reserves policy of 3-5% of turnover and that the current total reserves figure was within the range;
- (xv) to note that the new Mobile Libraries were used to promote events, but were not geared up to sell tickets. However, tickets could be purchased and printed out online;
- (xvi) to note that designation of funds had not been requested for the fireworks display. An alternative major series of events was being planned for the Dean Castle Country Park (Item 7 below). The cost and volume of work associated with hosting a fireworks display had become prohibitive and it was hoped that the alternative proposal for a new family event would generate revenue and be more financially sustainable;
- (xvii) to note the general projects funding secured for the River Ayr Way Signage Project, that remedial work was required to bring the South Ayrshire side of the walk up to standard and that representation was being made to South Ayrshire Council in this regard, linked to the Ayrshire and Arran Tourism Strategy;
- (xviii) to note the external funding approved applications, the declined applications, the overall volume of bids submitted and associated workloads. The arena is more competitive, bids take considerable resources to prepare and are required to fit with the Trust's overall business plan;
- (xix) to note the Scottish Government's focus on early learning outdoors and that opportunities were being looked at with Education to expand Council nursery provision at the Country Park. An application to the Big Lottery for funding for an outdoor nursery feasibility study had been declined, however the Trust had been invited to review and resubmit in the next round;
- (xx) to note that bad debt write off was authorised by the Chief Executive, reported to the Board annually and provided for in the accounts. Robust arrangements were in place for debt recovery. The Trust was moving away from invoicing to pay and play, direct debits and advance payment. The write off was a very low percentage of turnover;
- (xxi) to note that work was taking place to align the Performance Scorecard with the Trust's Business Plan. A number of longer-term absences had led to the indicator for average days lost per employee being over-target. All employees were managed in accordance with East Ayrshire Leisure's Sickness Absence Management Policy and additional training was being developed to support staff who managed the Absence Policy. In relation to the use of bank staff, more short-term contracts were being used to provide job security for those who wished it. In relation to absences linked to social reasons, a range of support services were in place for employees. Previous consideration had been given to providing a chaplain service, however this had not been progressed for a range of reasons, including that employees found it easier to seek support from someone within organisation occupational health or their Trade Union;
- (xxii) the new format Risk Register would come forward to the Board meeting in September. In light of recent events, work was taking place to look at the issue of the threat of terrorism at bigger events hosted by the Trust; and
- (xxiii) otherwise, to note the contents of the report.

Independent Trustee Robert Mann joined the meeting during consideration of the above item.

2017/18 CHARGES FOR SERVICES - CONSULTATION

5. There was submitted a report dated 21 June 2017 (circulated) by the Chief Executive which provided Trustees with customer feedback relating to proposals to increase charges for East Ayrshire Youth Theatre and Sports Club bookings, and sought approval for revised charges for both services.

Following full and detailed discussion it was agreed:-

- (i) to note the consultation exercises that had taken place with service users in relation to future charges for services, the challenging circumstances in which services were operating and the need, under the Best Value Service Review of Leisure, Sport and Culture for the Trust to be more commercially-orientated;
- (ii) to note the proposal to continue to manage the Youth Theatre but commission external theatre professionals to deliver workshops and stage the shows under the Trust's management;
- (iii) to note the findings of the Youth Theatre consultation exercise, that 78% of respondents were in favour of Option A – increased hourly rates with shows;
- (iv) to note the Board's concerns, expressed at the meeting, regarding the level of proposed increase to charges for Youth Theatre under Option A and affordability for service users;
- (v) to remit back to the Chief Executive to look again at Option A with a view to (a) introducing a phased approach to increasing the Youth Theatre charges over a few years (giving advance warning each year of the rate of increase), starting at £3.50 for 5-7 years and £4.50 for all other age groups in the first year, and to include at least one show; (b) to take a detailed look at the cost of running the show including promotion, ticket prices, any fundraising/sponsorship/merchandising opportunities and possible alternative funding streams and any opportunities to grow the market and audience; and (c) to carry out an equalities impact assessment to determine and seek to mitigate any effect of future increases in the charges, particularly in relation to working families on limited incomes;
- (vi) to provide an update on progress with the operation of the Youth Theatre to a future Board meeting;
- (vii) to note the findings of the Club Loyalty Discounts consultation exercise;
- (viii) to approve the phasing out of the Club Loyalty Discounts as described in the report and to monitor the impact to determine whether this resulted in any marked decline in the use of facilities;
- (ix) to note, in response to a query, that South Lanarkshire assisted clubs with a no fee policy for clubs for various hire of facilities and that this was funded by the Local Authority;
- (x) that the NHS Stroke Rehabilitation Group be consulted on their use of Ayrshire Athletics Arena and the parking and access challenges at Crosshouse Hospital should the Group need to move some of its clinics and classes back there to avoid incurring charges;
- (xi) to note that where clubs were affiliated to the Sports Council, then an analysis of attendances could take place to determine whether there was any drop off as a consequence of the removal of Club Loyalty Discounts - Chris Murphy to follow up with Vibrant Communities. Affiliation to the Sports Council also had a number of added benefits for Clubs;

- (xii) to consider whether there were any “added value” opportunities that could be offered to make facilities more attractive to Clubs;
- (xiii) to note the potential revenue implications of any decline in use of facilities and that this matter should be given a higher profile in the Risk Register;
- (xiv) to look at all charges during January/February 2018 for March implementation. This should include provision to vary offers, maintain flexibility, act timeously and make appropriate special offers;
- (xv) to note that based on historical bookings made, the full removal of the Club Loyalty Discounts Scheme would generate in the region of £104K of additional income with an expected drop off rate based on 70% retention, generating £74K in 2017/18 for the full financial year. This projection would be closely monitored; and
- (xvi) otherwise, to note the contents of the report.

CHIEF EXECUTIVE'S REPORT

6. There was submitted and noted a report dated 14 June 2017 (circulated) by the Chief Executive which provided the Board with updates on the Community Asset Transfer Programme, the Best Value Service Review of Leisure, Sport and Culture and the new Active Memberships introduced in April for fitness facilities.

It was further noted:-

- (i) The Libertines were coming to the Grand Hall on 19 September 2017;
- (ii) tickets had just gone on sale for Jason Manford at the Grand Hall on 12 September 2018;
- (iii) tickets were selling well for The Happy Mondays at the Grand Hall on 22 December 2017;
- (iv) a front page feature relating to the Libertines had appeared in the Kilmarnock Standard; and
- (v) East Ayrshire Leisure would continue to work on hosting bigger events at the Grand Hall.

The Chair was pleased to see progress being made with the Asset Transfer Programme, and recognised that this impacted on staff.

2017/18 BUDGET - SAVINGS PROPOSAL

7. There was submitted a report dated 13 June 2017 (circulated) by the Chief Executive which put forward savings proposals to meet 2017/18 budget targets for Trustees' consideration and approval.

It was agreed:-

- (i) to consider and approve the updated savings proposals for 2017/18 contained in the report;
- (ii) to note that the 2017/18 budget savings proposals impacted on targets in the Business Plan which, where necessary, would be adjusted to reflect budget reductions and proposed changes to service delivery. An updated Business Plan would be submitted to the September Board meeting;
- (iii) to note that all associated staffing proposals were subject to consultation with staff and the Trade Unions;

- (iv) to note the Cultural Staff Chart 17/18 In Year Review (circulated at the meeting);
- (v) to note the amendments to the Libraries Savings Summary to delete references to (a) book stock and library reduces and need to reduce number of Library Assistants as a result and (b) reduce numbers of staff to deliver service – need to prioritise based on core offer; and an amendment to the Budget Impact to delete Newmilns Library closes reducing staff/supplies and services budgets;
- (vi) to note that Cultural Services was looking to expand engagement with 12-25 year olds;
- (vii) to note the proposal to enter a 2 year co-promotion trial with the current pantomime production undertaking a full line-by-line review of all pantomime expenditure and income to maintain quality and increase income. Having taken advice from East Ayrshire Council's Procurement Team, the Trust was able to enter into a 2 year contract (2018 and 2019) with the current producer, to allow for a full pantomime service review. After year one of the trial, lessons would be used to compile a new tender which would be released to the industry in summer 2019. The Palace Team Leader would undertake the artistic review of the short-leeted producers during the pantomime season in 2019 and in January 2020 a new 3-5 year contract would be awarded for the pantomime at the Palace Theatre for 2020+;
- (viii) to note that the Trust was exploring purchasing options for supplies to ensure best value within the context of the Best Value Review of Leisure, Sport and Culture and integration with the Kilmarnock Leisure Centre Trust, linking to other procurement networks;
- (ix) to note that the Trust had been invited to put together a proposal to manage the new William McIlvanney Campus. The Trust would manage the library at the new Whatriggs Campus and former customers of the Community Centre had been offered facilities at the School. Discussions were taking place with East Ayrshire Council regarding the Trust not being considered for management of community facilities at the Knockroon Campus;
- (x) to note that following the reopening of St Joseph's SGP, not all bookings had returned. However the revenue was spread across other venues (ie not lost);
- (xi) Grange Campus was being actively promoted as a venue for dance competitions;
- (xii) East Ayrshire Council worked with groups regarding local provision of trending activities (roller blades, skates, BMX bikes), supported by Vibrant Communities;
- (xiii) to note that the savings proposals aimed to ensure that the Trust had a balanced and achievable budget in place for 2017/18 whilst the implementation of the Best Value Review of Leisure, Sport and Culture, which included integration with the Galleon Centre, was progressed. Issues relating to service provision (including facilities) and savings targets for 2018/19 and beyond would require consideration and approval by the Shadow Integration Board in due course; and
- (ii) otherwise, to note the contents of the report.

DEAN CASTLE COUNTRY PARK - OPENING EVENTS 2017

7. There was submitted a report dated 13 June 2017 (circulated) by the Countryside Services Manager which provided details of a proposed programme of events which will be used to officially re-open Dean Castle Country Park and highlighted some of the key features that have been introduced as part of the redevelopment project.

The Board viewed a video illustration of “enchanted forest” which was proposed as part of opening the programme of events.

It was agreed:-

- (i) to note that the “enchanted forest” had a record of excellent attendance in other areas and there was scope to generate income from catering;
- (ii) to note the concerns expressed about the “enchanted forest” pricing of tickets and inclusiveness (financial and physical);
- (iii) to consider offering concessions eg family ticket, discount for locals;
- (iv) to note that the “enchanted forest” provider had been asked to bring different financial models (including sharing financial risk) and when this information was available the Performance and Audit Sub-Committee would review with the wider Board at a special meeting (to be arranged);
- (v) to note the importance of good marketing and being sensitive to local community concerns in relation to the wider programme of events at Dean Castle Country Park;
- (vi) to approve the proposals for the Dean Castle Country Park Opening programme, subject to all of the above;
- (vii) that the Countryside Services Manager report back on the performance of the opening programme after it has taken place; and
- (viii) otherwise, to note the contents of the report.

VOLUNTARY SEVERANCE

8. There was submitted a report dated 12 June 2017 (circulated) by the Head of Human Resources, East Ayrshire Council, which advised the Board of voluntary severance applications from employees within East Ayrshire Leisure that have been approved by the Cabinet of East Ayrshire Council.

It was agreed:-

- (i) to note the voluntary severance arrangements as detailed in Appendix A to the report as approved by the Cabinet of East Ayrshire Council; and
- (ii) otherwise, to note the contents of the report.

DATES OF NEXT MEETINGS

9. **Performance and Audit Sub-Committee** – 21 August 2017. Interim special meeting to be arranged for further consideration of Youth Theatre and “enchanted forest” proposals.

Trust Board Meeting/AGM – 5 September 2017

The meeting terminated at 2130 hours