

EAST AYRSHIRE LEISURE TRUST

MINUTES OF MEETING HELD ON WEDNESDAY 24 JANUARY 2018 AT 1800 HOURS IN COUNCIL CHAMBERS, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillor Trustees Elena Whitham, Ian Grant, Iain Linton, Clare Maitland and Neil McGhee; Independent Trustees Robin Hume, Jean Brown, Jackie Livingston, Robert Mann and June Minnery; and Joe McLachlan, Corporate Accounting Manager, East Ayrshire Council, ex officio Trustee.

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; Lorraine Russell, Senior Accountant, all East Ayrshire Leisure Trust; and Gillian Hamilton, Democratic Services Officer, East Ayrshire Council.

ALSO ATTENDING: David Carey, Integration Officer, East Ayrshire Council.

APOLOGIES: Chris McAleavey, Depute Chief Executive: Safer Communities, East Ayrshire Council, ex officio Trustee.

CHAIR: Councillor Elena Whitham, Chair.

DECLARATIONS OF INTEREST

1. Independent Trustee Robin Hume, as a representative of a user group of the Grand Hall and Councillor Neil McGhee, as Chair of a user group of the Boswell Centre, both declared a non-financial interest in Item 3 below, which neither considered significant and accordingly remained and participated in consideration and determination of this item.

MINUTES OF PREVIOUS MEETING

2. There were submitted and approved as a correct record, the Minutes of the previous Board Meeting held on 28 November 2017 (circulated).

MATTERS ARISING

3. The Chief Executive reported and it was noted (i) that Trustees had been provided, as requested, with information on attendance trends at individual facilities; (ii) that possible temporary catering options at the Dick Institute were being looked at, the challenge was lack of available space in the building; and (iii) Chief Executives of Leisure Trust ALEOs in Scotland were looking at potential future issues arising from the Barclay Review of Business Rates, in particular the restrictions on new Trusts. The recent campaign had worked well in persuading Ministers of the value of Leisure Trusts in meeting health and wellbeing policy objectives. Following a review by Sporta at a meeting scheduled to take place the following week, Trustees would be advised of any residual issues.

REVIEW OF CULTURAL SERVICES

4. There was submitted a report dated 8 January 2018 (circulated) by the Cultural Services Manager which proposed changes to management and operations within Cultural Services to deliver financial savings and support service development and improvement. The proposals represented a starting point for consultation with staff and communities and it was intended

to return to the Board, following the consultation, with a final position for Trustees' consideration.

The Trustees noted (i) that a report on the 2018/19 charges for services would come forward to the next Board meeting on 27 February 2018; (ii) that the Hospitality Service proposals in the report were related to the running of bars and not food catering, which was able to be organised by hirers; (iii) that the anticipated subsidy reduction of operating Performing Arts Venues was 24% over 3 years and not 20% as shown in the report; and (iv) amendments to the profit increases in the Hospitality Café Service Summary table (but total profit figure of £32,270 remains unchanged). Full discussion took place on the proposals for Cultural Services, as summarised below:-

Review of Staff Structure

- Trade Unions to be involved, as a matter of course, in consultations on the review of staff structure; and
- Job re-evaluation to take place for any job(s) impacted by the proposals.

Core Venues

- Trustees noted the history and rationale behind the proposal to close Newmilns Library and the intention to replace the Library with an alternative service delivery model, all subject to the above consultation; and
- Trustees have concerns about the potential impact of reduced opening hours in community venues, including the difficulty of generating income if only open for a limited time, venues sitting empty outwith core hours, the balance between being more commercial and looking after communities and the value of implementing the proposals for some venues, given the minimum savings that they would achieve. It was noted that it was intended that venues would be available for hire and staffed outwith core hours, but at a premium.

Grand Hall

- Trustees have concerns about the potential impact of reduced opening hours for the Grand Hall. Noted that existing hires mitigated against more effective use of the premises: bigger events and more commercial afternoon full-price lets. Over capacity of venues in Kilmarnock, including schools and Ayrshire College, could accommodate displacement of existing users – option to write into contract with user groups, the right to relocate to other premises. Trustees emphasised the importance for groups of having certainty about venues. Trustees asked for more work be done on programming and securing alternative income sources prior to the Board taking a decision on the way forward for the Grand Hall;
- Trustees wished to see the Grand Hall being used more and were concerned that this could be hampered by limited parking availability in the immediate vicinity. Noted that parking was not an issue in the evenings and that performers' tour buses were accommodated behind the building. Discussions were taking place around possible asset transfer of the old Kilmarnock Academy for a car parking option which would be close to the Grand Hall. Recognised that car parking provision was the responsibility of the Local Authority;

- Noted that it had proved challenging to secure a sustainable catering solution for the Palace Theatre. There were issues around attracting customers given the location of the building and low footfall. Consider exploring options with Onsite Services; and
- The Trust needs to be more commercial, but also needs to make best use of key venues. Trustees wished to look again at how to go forward with the Grand Hall.

Hospitality Service

- Trustees have concerns about the proposal to expand the hospitality offer (bar service) already in place in the Grand Hall and Cumnock Town Hall into smaller venues, the potential financial impact on groups in smaller communities, recognising that bar income often covers the cost of their events, and the associated risk to the Trust of losing business. Trustees noted that the proposal was a baseline position for discussions with groups. Savings needed to be made and the sustainability of venues needed to be looked at. Option to charge users a premium if bringing in their own bar. Existing arrangement should remain in Grand Hall: Trust provides the bar and different catering options are available; and
- Trustees were of the opinion that the income projection in the Hospitality Business Plan should be greater, but accepted that the projection was based on modest estimate and that income was expected to grow.

General Comments

- Consider other ways of generating income - museum shop, tourist information shop, screening of films in community venues;
- It's about how we start discussions with communities, not that we don't want to address the challenges. Avoid being prescriptive;
- Bring back amended proposals, together with the paper on charges, for the Board's full consideration in the round;
- Message to go out needs to be absolutely clear, including narrative around potential redundancies and issues with the Morton Hall;
- Need a balanced, achievable budget based on the savings target; and
- Whilst changes are difficult, the Trust is trying to avoid closures. Come back to the next meeting with more clarity on what will be consulted on with communities around community halls.

It was agreed:

- (i) to bring the report back to the next Board meeting with additional information on the package for Culture and Community Venues including the Grand Hall and Cumnock Town Hall, as discussed above, for Trustees' consideration together with the 2018/19 charging proposals;
- (ii) that the Hospitality Service proposals should be put on hold pending the outcome of the above;
- (iii) to go forward in the meantime with the proposals in the report for the Youth Theatre/Programme and Operations Delivery and the proposals to grow income in Libraries/Arts/Museums Development/Collection Care; and
- (iv) otherwise to note the report.

Independent Trustee Jackie Livingston joined during and Councillor Iain Linton left at the conclusion of the above discussion.

REVIEW OF SPORT AND FITNESS

5. There was submitted a report dated 8 January 2018 (circulated) and a presentation was given by the Sport and Community Venues Manager which set out proposals for the management of Sport and Fitness in response to the recent Best Value Review and the requirement to operate with a more commercial focus while also improving customer service and choice and preparing for integration with the Galleon Leisure Centre. All proposals, if approved, would be implemented through the appropriate consultation processes. Discussion took place on the review of sport and fitness as summarised below:-

- Chris Murphy would look into operational matters raised by Jackie Livingston in relation to (i) the new badminton programme; and (ii) access to premises, and feedback to Jackie;
- Further comments were made and noted which related to (a) the limitations of some inherited facilities given that they were designed for other purposes. An update on the Capital Programme, which it was anticipated would allow for some improvements to older premises, would be forthcoming at the next meeting; (b) customer services and engagement and the online booking function would be looked at as part of the integration with Kilmarnock Leisure Centre Trust; and (c) the recent Celebrating Diversity charity event at St Joseph's Academy;
- Noted that the review proposals would not generate immediate savings, but were intended to underpin growth in income in future years;
- Noted the anticipated financial break even position for the new McIlvanney Campus and that income growth is expected when the SGPs become operational. Noted that Council subsidy is for management only (i.e. does not extend to the operation of the facilities);
- Noted that the % reduction in membership projections and associated costs in Appendix 1.4 of the report was based on an analysis of local markets and an assessment of reasonable targets;
- Noted that there were costs associated with the direct debit process. Confirmed that staff were in place to deal with the administration of direct debits; and
- In response to a request for the ceiling to be cleaned at Mauchline Games Hall, noted that this would not be cost effective given that the Hall was scheduled for closure in March 2019.

It was agreed:-

- (i) to approve the proposals arising from the review of sport and community venues as detailed in the report; and
- (ii) otherwise, to note the report.

Councillor Neil McGhee left the meeting during the above discussion.

ANY OTHER COMPETENT BUSINESS

6. It was noted that independent Trustees continued to have difficulty accessing the information portal and that this was being looked at.

DATE OF NEXT MEETING

7. The next meeting of the Trustees of the Kilmarnock Leisure Centre Trust and East Ayrshire Leisure Trust will be held on Tuesday 27 February 2018.

It was also noted that the Performance and Audit Sub-Committee of the East Ayrshire Leisure Trust will be held on Monday 12 February 2018.

It was agreed to consider whether Chambers would be the most suitable venue for future meetings (after 27 February), or whether alternative venues should be looked at.

The meeting terminated at 2054 hours.