

## **EAST AYRSHIRE LEISURE TRUST - BOARD OF TRUSTEES**

### **MINUTES OF MEETING HELD ON TUESDAY 26 FEBRUARY 2019 AT 1800 HOURS IN THE DICK INSTITUTE, ELMBANK AVENUE, KILMARNOCK**

**PRESENT:** Councillor Trustees Elena Whitham, Ian Grant, Iain Linton, Clare Maitland and Neil McGhee; Independent Trustees Robin Hume, Jean Brown, Jackie Livingston and June Minnery; and Bob McCulloch, Acting Head of Housing and Communities; and Joe McLachlan, Acting Head of Finance and ICT, both East Ayrshire Council, ex officio Trustees.

**ATTENDING:** John Griffiths, Chief Executive; Adam Geary, Cultural Services Manager; Dianne Reid, Marketing and Development Manager; Chris Murphy, Sport and Community Venues Manager; Jackie Biggart, People and Finance Manager; and Anneke Freel, Countryside and Outdoor Activity Services Manager; all East Ayrshire Leisure Trust; and Stuart McCall, Legal Manager; Paul McGowan, Head of Human Resources; and Gillian Hamilton, Democratic Services Officer, all East Ayrshire Council.

**CHAIR:** Councillor Elena Whitham, Chair.

#### **DECLARATIONS OF INTEREST**

1. Independent Trustee Jackie Livingstone, as a user of facilities, declared a non-financial interest in Item 5 below which she did not consider significant and accordingly remained and participated in consideration and determination of this Item.

#### **ORDER OF BUSINESS**

2. It was agreed to reorder the business to that shown below.

#### **MINUTES OF PREVIOUS MEETINGS**

##### **3.1 MINUTES OF SPECIAL BOARD MEETING HELD ON 29 JANUARY 2019**

There were submitted and approved as a correct record, the Minutes of the Special Board Meeting held on 29 January 2019 (circulated).

##### **3.1.1 Matter Arising**

Trustees requested an update on the decisions taken at the Special Board Meeting in relation to (i) extending the Trust's current Business Plan to cover 2019/20, with a new Business Plan being produced for 2020/22; and (ii) the Trust's proposed means of meeting savings targets in particular, the financial projections for 2019/20 to 2021/22. It had been remitted to the Chief Executive to seek approval for both matters from East Ayrshire Council, and a report was being prepared by the Chief Executive for consideration by the Council.

It was noted that East Ayrshire Council's Budget for 2019/20, which was being considered by Cabinet and then Council on 27 and 28 February 2019 respectively, assumed that the management fee paid by the Council to the Trust would be reduced by £191,000. This was in line with the previously approved Best Value Service Review – Leisure, Sport and Culture which tasked the Trust with achieving a 20% reduction in funding between 2018/19 to 2021/22 (£600,000). However the Trust, at the Special Board Meeting, as part of a strategic savings plan covering the 3 years to 2021/22, had agreed £50,000 as an indicative savings target for 2019/20, given the additional savings to be made by the Trust to offset income generation issues; and the pending review of facility remit to be undertaken jointly with East Ayrshire Council during 2019/20.

Extending the Trust's current Business Plan to cover 2019/20 would allow time for the review of facility remit to be completed which, it was anticipated, would contribute to the Trust achieving a greater level of savings in subsequent years (2020/21 and 2021/22) to meet the £550,000 balance by 2021/22.

The Trust's £50,000 indicative level of savings target for 2019/20 was not, however, recognised in East Ayrshire Council's Budget for 2019/20 and from the Council's perspective, the full management fee reduction was to be applied.

It was agreed:-

- (i) to note that it was anticipated, based on discussions to date with East Ayrshire Council, that the proposal to extend the life of the current Business Plan would be supported by the Council;
- (ii) to note the Council's position regarding the full management fee reduction to be applied in 2019/20 and remit the Chief Executive to submit a report to the next Board meeting, setting out a reconfigured budget and detailed proposals for the way forward in relation to achieving the required savings of £600,000 during the next 3 years, recognising (a) that the savings would not all come forward from the review of the Trust's facility remit and (b) that outputs from the planned development sessions for Trustees to take place during March, April and May 2019 would also help inform matters; and
- (iii) that the above report should also include an update on how key aspects of East Ayrshire Council's Transformation Strategy were likely to impact on the Trust's future plans and how this was to be managed.

### **3.2 MINUTES OF PERFORMANCE AND AUDIT SUB-COMMITTEE HELD ON 11 FEBRUARY 2019**

There were submitted and noted, the Minutes of the Performance and Audit Sub-Committee held on 11 February 2019 (circulated).

Adam Geary, Dianne Reid, Chris Murphy, Jackie Biggart, and Anneke Freel left the meeting at this point.

#### **SENIOR MANAGEMENT OPTIONS**

4. There was submitted a report dated 21 February 2019 (circulated) which presented options for the senior management arrangements within the Trust in light of the Chief Executive's intention to retire from his post in May 2019.

It was agreed:-

- (i) that an interim management arrangement be put in place for the Trust on the departure of the Chief Executive;
- (ii) that an interim appointment be made from within the existing Management Team, to assume responsibility for the management of the Trust;
- (iii) that (ii) above would involve the creation of a temporary Senior Management Role with clearly defined duties and responsibilities, supported by the Head of Housing and Communities, East Ayrshire Council, as principal liaison officer;
- (iv) to note the potential options which could be applied for the future of senior management arrangements for the Trust which would be the subject of further

consideration in due course and, in particular during the Trustees' development sessions;

- (v) to note the anticipated timescale for the recruitment process for the temporary Senior Management Role; that the Board would determine the recruitment process, which would involve a Panel of Trustees with appropriate training; and that the Chair and Vice-Chair would have an input to the job role and clarifying lines of responsibility; and
- (ii) otherwise, to note the contents of the report.

Councillor Trustee Neil McGhee, Stuart McCall and Paul McGowan left; and Adam Geary, Dianne Reid, Chris Murphy, Jackie Biggart, and Anneke Freel re-joined the meeting.

### **PERFORMANCE REPORT OCTOBER TO DECEMBER 2018**

5. There was submitted a report dated 18 February 2019 (circulated) by the Chief Executive which provided details of the Trust's performance for the period October to December 2018, the third quarter of the 2018/19 financial year. The report projected a breakeven financial position, however, reserves would be used to support this position due to projected shortfalls in income generation across a range of services.

It was agreed:-

- (i) to approve the Performance Report for October to December 2018;
- (ii) to approve the re-allocation of reserves proposed in the report;
- (iii) to note the range of activity taking place to drive up attendances and income, as shown in the Progress Against 2016/19 Action Plan and, to commend officers for the amount of work taking place. Notwithstanding, this was not necessarily translating into income generation and this was due, in part, to the charitable nature of the Trust and the need to ensure accessibility to services for all sections of the community. Income targets would be reviewed for next year;
- (iv) to note that income levels were also impacted by the Trust continuing to manage bookings for facilities that were transferring back to East Ayrshire Council. Discussions were ongoing with the Council's Head of Facilities and Property Management to progress matters in this regard;
- (vi) to note the explanation given in relation to the figures under Performing Arts Venues in the Overall Net Position Table, that £154,000 pantomime income was currently held in a suspense account not yet released. The pantomime had performed well both on stage and financially;
- (vii) to note in the Countryside Service Analysis Table, the shortfall in 2018/19 income being projected for the new Treehouse Centre, arising from the delay in opening last year which prevented bookings from being on target. Work was ongoing to promote this new aspect of the business including the introduction of reduced (self-catering) charges. Performance had improved this year and bookings were already being taken for next year;
- (viii) to note that an options appraisal, including extended hours (with a reduced catering offer in the evenings) and hospitality service, was being prepared for the future of the café at the Dean Castle Country Park. This would be presented to the Board for consideration in due course;

- (ix) to note, under External Funding Approved Applications, that a full financial package was now in place for the Irvine Valley Trails Project;
- (x) to note that officers were looking at improvements to the Future Museum (Virtual Service) which was currently flagged “red” in the performance scorecard; and
- (iii) otherwise, to note the contents of the report.

### **EAST AYRSHIRE LEISURE FORWARD PLAN**

6. There was submitted a report dated 21 February 2019 (circulated) by the Chief Executive which provided updates on several key issues which arose from the Special Board meeting held on 29 January 2019.

It was agreed:-

- (i) to note the updates provided in the report, accepting the previous discussion that had taken place, and associated actions as detailed in paragraph 3.1.1 above, in relation to extending the life of the Business Plan and the Trust’s proposed means of meeting savings targets;
- (ii) to approve the initial Development Session programme in paragraph 3.1 of the report and to note that James Lally from the Council’s Transformation Team would be invited to attend these sessions;
- (iii) that the Chief Executive would arrange for a research paper by Community Leisure UK (formerly Sporta) on resilience of leisure trusts, to be circulated to the Board and
- (iii) otherwise, to note the contents of the report.

### **CHARGES FOR SERVICES 2019/20**

7. There was submitted a report dated 18 February 2019 (circulated) by the Chief Executive which put forward proposals for charges for services for 2019/20. The report did not include a target for increased income for 2019/20 as this had already been declared in individual service reviews.

It was agreed:-

- (i) to approve the schedule of charges attached as Appendix I of the report;
- (ii) to consider the viability of replacing “In Receipt of State Pension” with “Saltire Card” for application of concession, recognising that this would have financial implications for the Trust;
- (iii) to note the fees in the “Charges for Services 2019/20 table that were not “new” but being reported for the first time;
- (iv) that there should be early communication with customers regarding the essential maintenance and improvement works to take place at the Trust’s three swimming pools during May to August this year, particularly in relation to the swimming lessons programme;
- (v) to update promotion for East Ayrshire Youth Theatre to highlight that some free places were available; and
- (ii) otherwise, to note the contents of the report.

### **BRICKTOPOLIS EVALUATION**

8. There was submitted a report dated 18 February 2019 (circulated) by the Cultural and Community Service Manager which provided an evaluation of the Bricktopolis exhibition recently held at the Dick Institute.

It was agreed:-

- (i) to consider how to develop secondary spend at this type of event;
- (ii) that evaluation reports should contain more interpretative information on learning points;
- (iii) to note the comment made about this type of event being more suited to a school class visit than school summer trip;
- (iv) that whilst, on this occasion, the admission fee had been a barrier to participation in the event, admission fees should not be ruled out on every occasion; and
- (v) otherwise to note the report.

### **ILLUMINIGHT 2018 EVALUATION**

9. There was submitted a report dated 21 February 2019 (circulated) by the Countryside and Outdoor Activity Services Manager which provided a summary of performance for the Illuminight event in 2018, held for the second time at Dean Castle Country Park, Kilmarnock.

It was agreed:-

- (i) to note the findings from the review of Illuminight 2018 and the financial position;
- (ii) to remit to the Countryside and Outdoor Activity Services Manager to continue to work with the event provider in the development of the 2019 event as outlined in the three year contract;
- (iii) to note that a package of sponsorship levels was available;
- (iv) to consider an in-house catering offer for 2019 and whether there was any opportunity to renegotiate this part of the contact with the event provider. It was noted that the café, under the new extended hours, would remain open during the 2019 event;
- (vi) to consider the option of providing a shuttle bus service;
- (vii) that from a good practice perspective, arrangements would be made for officers to review the event provider's accounts for the 2018 event and feedback to the Performance and Audit Sub Committee;
- (viii) to consider and obtain a costing for the "push button emoji" alternative means of obtaining customer feedback proposal made by Trustees;
- (ix) to consider whether the headline sponsor could promote Illuminight on in-store shopping bags; and
- (iii) otherwise, to note the contents of the report.

### **ANY OTHER COMPETENT BUSINESS**

10. It was noted that a recent advertising campaign for the Dick Institute has had a huge positive impact on increasing visitor numbers and café sales.

John Griffiths then expressed his sincere thanks to the Trustees and staff team for all of their hard work carried out on the Trust's behalf, especially during the early stages of the Trust

and in light of the range of challenges faced. He reminded Trustees that in terms of the constitution, six years was the maximum term a Trustee could serve on the Board, in anticipation of this stipulation soon being applicable for the first time.

The meeting terminated at 2030 hours.