

PERFORMANCE AND AUDIT SUB-COMMITTEE

MINUTES OF MEETING HELD ON TUESDAY 19 AUGUST 2025 AT 1600 HOURS IN THE WALLACE CHAMBERS, JOHN DICKIE STREET, KILMARNOCK

PRESENT: Independent Trustee Jim Roberts; and Councillors Linda Mabon and Graham Boyd, Trustees

ATTENDING: Anneke Freel, Chief Officer; Suzanne Clark, Service Manager: Vibrant Communities; Lorraine Russell, Strategic Lead: Creating a Solid Foundation for Growth; and Carleen Fitzgerald, Development Officer: Organisational Administration; all East Ayrshire Leisure Trust; and Sally Cheeney, Senior Statutory Auditor, Azets Audit Services

CHAIR: Independent Trustee, Jim Roberts.

APOLOGIES

1. Andy Wilson; Trustee; and Jackie Biggart, Executive Lead: People, Policy and Performance; Paul Mathieson Executive Lead: Places, Projects and Programmes

DECLARATIONS OF INTEREST

2. N/A

MINUTES OF PREVIOUS MEETING

3. Were submitted and approved as a correct record of the Minutes from the meeting of the Performance and Audit Sub-Committee held on 13 May 2025 (circulated).

PERFORMANCE REPORT APRIL - JUNE 2025 (Q1)

4. There was submitted a report dated 4 August 2025 (circulated) by the Chief Officer, which provided details of the Trust's performance for the period April - June 2025, the first quarter of the 2025/26 financial year. In line with the organisational review, Strategic Vision and Corporate Delivery Plan, the performance report has been separated into 3 documents: East Ayrshire Leisure Performs; Corporate Delivery Plan Record of Progress; and Financial Performance.

During discussion on the report, the following was noted:

- Attendance figures across Trust venues were 613,872 which is an increase of 14.62% compared to the same period in 2024/25.
- Performing Arts venues doing well with Cumnock Town Hall showing a 38% increase, and Darvel Town Hall has increased by 22%. Museums are showing a decrease particularly the Baird Institute, will be reviewing programming within Museums to help grow attendance.
- Physical book borrowing is starting to increase again by 33% compared to same period in 2024/25, this is a result of increased programming within Libraries bringing more customers to the venues.
- The Active Wellbeing Suite has had a significant increase on the Rose Reilly Sports Centre with people taking out membership after the 10 week period. Looking to roll

out the Suite at other venues. Memberships across the board has increased and football pitches also doing really well.

- Performance reporting will be reviewed and brought to Trustees at the Performance & Audit meeting in November.
- No new risks were identified for the Risk Register.
- Galston Town Hall – nearing end of refurbishment and will open to the public end Oct, looking at proposals to open 7 days. Coffee bar, upstairs open gallery and useable space for community to book out.
- The Dick Institute will be opening on a Sunday on a pilot basis until April 2026, if works well will then move to open 7 days.
- The Chief Officer will arrange for the Council's Facilities & Property Management team to clean the board outside the Dick Institute.
- At 30 June 2025, the Trust was sitting at a breakeven financial position. New services transferred from 1 April are included within this quarter, Corporate Catering transferred over on 18 August and will be shown within the Quarter 2 report.
- Settlement of pay ward has been agreed which will be paid in August and shown in the Quarter 2 report.
- Options appraisal being developed for the Galleon Leisure Centre refurb to see best way forward for the building.

It was agreed:

- (i) to approve the East Ayrshire Leisure Performs Report for the period April – June 2025; and
- (ii) to otherwise note the content of this report.

2024/25 ANNUAL REPORT AND ACCOUNTS

5. There was submitted a report dated 4 August 2025 (circulated) by the Chief Officer, which presents Trustees with the 2024/25 Report and Accounts for approval.

Sally took the meeting through the report and the following was noted:

- Income has come down, this had been planned for with the closure of the Palace Theatre/Grand Hall, which has been offset by receiving additional funding for projects from the Council.
- Expenditure on Charitable Activities has increased for this period.
- £20k pension scheme net interest earned, this fluctuates year on year due to stock markets. £515,000 was paid into the pension fund by the Trust.
- Trustees and Extended Management team to receive a training overview on annual accounts/pension figures.
- Azets Audit report shows that the audit work is complete and there are no matters that require modification.
- Significant risks at the financial statement level identified:
 - Management override of controls – very high
 - Going concern – medium risk
- Significant risks at the assertion level:
 - Fraud in revenue recognition - Revenue (Occurrence) – very high. Revenue (Completeness, Cut-off, Accuracy, Presentation & classification) - high
- Expenditure on Charitable Activities - medium

- The Chair asked if the threat of AI is a big risk going forward. Sally advised that Azets have security controls on software. 2 step identification for access, I.T security etc. is in place. Specialist I.T software is used by the Trust to send data securely to Azets and vice versa.
- Pension Assumptions – balanced. Information from other local authorities is gathered and an average is taken to make sure Trust rates are on par with others along with salaries.
- The Chair congratulated the Trust on a clean audit and having all processes and procedures in place. Thanks went to Sally and Azets for their work, and to Lorraine for providing the information.
- The Annual Report & Accounts document and Letter of Representation will be signed at the Trust's AGM on Tuesday 23 September.

It was agreed:

- (i) to approve the 2024/25 Report and Accounts;
- (ii) to approve the letter to Representation to accompany the Accounts; and
- (iii) to otherwise note the content of this report.

ANY OTHER COMPETENT BUSINESS

6. The Council and Trust will be developing a communications plan for the next 2 years in relation to the Palace/Grand Hall project, regular updates will be provided to the public.

This year's Killiween event will take place at the Howard Park, Kilmarnock and will include a walk on Kilmarnock's history. Graham Boyd suggested that we ask local businesses to decorate/light up their windows. The Chief Officer will arrange for our Strategic Lead: Event Management to attend the next Kilmarnock Business Association meeting to discuss these proposals.

The Chair recognised the work undertaken by Officers to produce these reports and thanked Sally for coming along to provide her level of expertise.

DATE OF NEXT MEETING

7. Annual General Meeting / East Ayrshire Leisure Board of Trustees – 23 September 2025
Performance & Audit Sub-Committee – 4 November 2025
Trading Subsidiary – 4 November 2025

The meeting terminated at 17.05 hours.