

PERFORMANCE & AUDIT SUB COMMITTEE



Date: 1 September 2020

Location: VScene

Start time: 4pm

AGENDA			
AGENDA ITEM	FOR NOTING	FOR DISCUSSION	FOR APPROVAL/ DECISION
1. Apologies for Absence	✓		
2. Declarations of Interest	✓		
3. Notes of Previous Meeting – 19 May 2020	✓		
4. Performance Report April – June 2020			✓
5. 2019/20 Annual Report and Accounts			✓
6. Staff Recognition Award This is a restricted document and not for onward circulation			✓
7. AOCB			
8. Dates of Next Meetings: AGM/Trust Board: 15 September 2020 Performance & Audit Sub-Committee: 10 November 2020			

For further information please contact: Anneke Freel, Chief Officer
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PERFORMANCE REPORT APRIL - JUNE 2020

Date: 1 September 2020

Agenda Item: 4

Report by: Anneke Freel, Chief Officer

1. PURPOSE OF REPORT

- 1.1 This report provides details of the Trust's performance for the period April to June 2020, the first quarter of the 2020/21 financial year. This is the first report on the Delivery Plan 2020-22 and reflects the priorities outlined in the Strategic Plan which covers the period 2020 to 2030.
- 1.2 Whilst the report provides Trustees with a detailed analysis of Trust performance in the period, it is set within a context of an unprecedented situation brought about by lockdown restrictions associated with Covid 19. On 18th March 2020, following Scottish Government guidance, all East Ayrshire Leisure venues were closed to the public and 72% of contracted and 100% of casual employees were put on furlough leave.

2 DELIVERY PLAN PERFORMANCE DURING LOCKDOWN

- 2.1 Despite all venues closing in March and the majority of staff on furlough leave, a number of activities continued to operate:
 - **Futuremuseums.com** – a number of the collection care team have remained active since lockdown. Whilst this has been predominantly due to the conservation and care requirements of the extensive museum collections and the work around the Dean Castle Project, it has also allow us to continue to link activities to the futuremuseum online collection.
 - **On-line Library Membership** – at the start of lockdown, we were able to make some quick changes to our on-line library offer which increased the number of books available and improved the access to the systems. On-line library membership has increased by 112% for the period March, April and May 2020
 - **Staff Book Club** – a staff book club was introduced in early April to encourage staff to join the on-line library service and to share reviews of the books that the read or listened to. This was initially a Cultural Development Service initiative, but was quickly rolled out to all East Ayrshire Leisure employees and further extended to East Ayrshire Council employees as part of the Healthy Working Lives programme
 - **Dean Castle Country Park and Annanhill Golf Course** – whilst facilities at these venues were closed on the 18th March, it was recognised that these sites would be very important for daily exercise and community wellbeing. Essential maintenance was also required at these sites to minimise the impact of full lockdown. A reduced workforce has been retained at these 2 open spaces to ensure that they continue to provide a welcoming environment for people.
 - **Dean Castle Urban Farm** – the farm has continued to be managed throughout lockdown with an active breeding programme.
 - **Emergency Child Care Hubs** – many of our sports development staff have been involved in supporting the emergency child care hubs provided by East Ayrshire Council. This will

continue throughout the summer with 22 child care hubs being introduced across East Ayrshire.

- **Community Venues** – Morton Hall, Auchlineck Boswell Centre, Stewarton Area Centre, Cumnock Town Hall and the Grand Hall have remained opened on reduced hours to support community resilience initiatives. Morton Hall is open twice a week for the Newmilns Community Larder; Auchlineck Boswell Centre is open daily for the social care hubs and the other venues have continued to support the National Health Service Blood Transfusion Service.
- **East Ayrshire Registrars** – 2 members of our Cultural Development Team based at the Burns Monument Centre have been dedicated to support the East Ayrshire Registrars during this period. At different times during lockdown, we have also been able to support Bereavement and Waste Management Services.
- **Corporate Services** – the small team not placed on furlough were required to implement new ways of providing payroll, HR and financial services, and increased communication methods to ensure all staff, whether remaining at work or placed on furlough, were kept informed, engaged and supported throughout lockdown

2.2 Whilst a number of actions will need to be reviewed or delayed, the East Ayrshire Leisure Performs quarter 1 report outlines some key activity that has been undertaken in order for the delivery plan to be implemented. These are outlined in detail in the report but include community engagement on the Facility Audit; marketing campaigns for the reopening of facilities; customer and staff engagement; review of the box office and booking system; development of partnerships and working groups and ongoing work on capital and improvement projects for Dean Castle, Morton Hall and other key venues.

3 FINANCIAL PERFORMANCE

3.2 The East Ayrshire Leisure Performs Q1 reports provides detail of the Trust's financial performance for the period April to June 2020. The lockdown restrictions and the subsequent closure of all venues has resulted in no generation of income during this period. A timetable for reopening has been developed which has enabled us to project to the end of the financial year. The report outlines an adverse variance of £193,890

3.3 Given the shortfall in income that is projected, the variance was anticipated to be £893,890. However, East Ayrshire Leisure has been successful in attracting external funding through the HMRC Job Retention Scheme, Hospitality and Leisure Business Grants and the Wellbeing Fund to reduce this deficit. External funding and other opportunities to generate income will continue to be explored at all times to minimise the financial impact of Covid 19.

4 PERFORMANCE STATISTICS

4.1 The 2019/20 annual Statutory Performance Indicators return was completed in April 2020. A new protocol and procedural guidance has been produced. However, in line with the Strategic Plan, a review of all statutory and key performance indicators will be carried out and a report presented to Trustees in December 2020.

5 RISK REGISTER

5.1 A review of the Risk Register has been carried out with specific reference to Covid 19 and the associated concerns. This is included within the quarter 1 report.

Recommendation/s:

It is recommended that the Sub-Committee:

- i. Consider and approve the East Ayrshire Leisure Performs Report for the period April to June 2020;
- ii. Otherwise note the content of this report.

Signature: *Anneke Freed*

Designation: Chief Officer

Date: 18 August 2020



EAST AYRSHIRE LEISURE PERFORMS

QUARTER 1

APRIL TO JUNE

2020/21



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PROGRESS AGAINST CORPORATE DELIVERY PLAN 2020-22

N	NO PROGRESS	S	SOME PROGRESS	C	COMPLETE
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KEY

Chief Officer	CO	Finance & Business Development Manager	F&BDM	Leisure Development Manager	LDM
Head of Corporate Services	HCS	Cultural Development Manager	CDM	Property & Estates Development Manager	P&EDM
Relationship & Business Development Manager	R&BDM	Community & Performing Arts Development Manager	C&PDM	Sports Development Manager	SDM



SHARING OUR VISION

SHARING OUR VISION

Delivery Plan Output		Lead	Progress	Comments
Action: We will introduce Customer Exchange evenings at key venues to ensure that customers have the opportunity to discuss the priorities for facilities and services				
1	Organise 2 customer Exchange evenings each year at key venues	HCS	S	Community consultation on leisure provision took place via online survey. Development & Engagement Programme for 2020/21 is currently being developed.
Action: We will be represented on appropriate community forums including community sports hubs, community councils and community action plan steering groups				
2	Attend meetings of appropriate community groups or where relevant topics are on the agenda	HCS	S	Work has started with the Annick Valley Active Travel Group to develop a network of routes around Stewarton, Kilmaurs Dunlop and Lugton. The group has identified key actions from their relevant Community Action Plans with an expression of interest application being made to Sustrans on 14/08/20.
Action: We will develop a Plan which complements our Strategic Objectives, utilising the full marketing mix and ensuring tailored campaigns are created.				
3	Design a Communications Strategy	R&BDM	N	
4	Priorities for each area of our organisation will be identified and timetabled biannually	R&BDM	N	
5	Campaigns for each project will be created, implemented and monitored	R&BDM	S	Campaigns process complete and in operation: Marketing Campaigns were developed for the reopening of the Treehouse Café, kiosk and the library service.
6	A digital marketing strategy will be developed to ensure maximum reach and continuous digital development	R&BDM	N	
7	A press and PR strategy will be developed to maximise coverage locally, nationally and through specialist press to drive visitor/audience growth	R&BDM	N	
8	Design, develop and deliver detailed evaluation strategy for all areas of Trust.	R&BDM	N	

Action: We will develop a collaborative working arrangement with East Ayrshire Vibrant Communities to explore potential shared services, partnership working and innovation in delivery				
9	Establish a working group with key colleagues that meets quarterly to ensure collaboration in programming.	SDM	N	
Action: We will work with key partners to develop a Cultural Strategy for East Ayrshire				
10	Establish a working group with all key stakeholders represented	CDM	N	
11	Develop a region wide document that sets a shared set of objectives, performance indicators and monitoring systems and outlines an agreed direction of the sector.	CDM	N	
12	Maintain and develop futuremuseum.co.uk partnership increasing visits to site of 2% every 2 years	CDM	N	
13	Work with Creative Scotland/Museum Galleries Scotland/Heritage Fund/Scottish Libraries Information Council/Arts Council England to support our programmes, generating funding for service development and maintaining accreditation status	CDM	S	An Expression of Interest has been made to Creative Scotland's Performing Arts Venue Resilience Fund.
Action: We will develop a formal collaborative arrangement with the Kilmarnock Leisure Centre Trust				
14	Reviewed existing services to reduce duplication and identify areas of best practice	CO	N	
Action: We will review our customer service standards and charter and customer feedback forms introducing key customer performance targets which we will measure monitor and report on annually				
15	Benchmark customer service performance targets, identifying a range of relevant targets	HCS	N	
16	Establish focus groups of customer and key partners in order to identify 3 key customer performance targets	HCS	N	
17	Review customer service standards, customer charter and customer feedback forms	HCS	S	A review of customer service standards and the customer charter has been completed and communicated to staff.
18	Measure, monitor and report on key performance indicators annually	HCS	S	A review of key and statutory performance indicators has been carried out with a review scheduled for Q3/4 to ensure consistency across service areas and to provide robust data.

				Annual SPI returns have been submitted with a commitment to review guidance/procedural notes going forward.
LEISURE AT THE HEART OF EVERY COMMUNITY				
Delivery Plan Output		Lead	Progress	Comments
Action: We will use the information from the Facility Audit 2019/20 to develop a Facility and Investment Strategy				
19	Carry out community consultation on the Leisure Facility Audit 2019/20	CO	S	On-line consultation has taken place between May and July. Approx 160 members of the community contributed to the survey. This will be analysed alongside the EAC Resident's Survey to inform the Leisure Facility Management and Development Strategy.
20	Use community feedback to develop an action plan for leisure facilities in East Ayrshire	CO	N	
21	Agree a Facility and Investment Strategy for all leisure facilities	CO	N	
22	Develop and agree a maintenance programme for each venue/facility	CO	S	Regular liaison is taking place between EAL and EAC to agree maintenance priorities and to develop a system for reporting and monitoring. This will inform a maintenance programme for each venue.
Action: We will continue to invest in our significant cultural built environment assets (Dick Institute, Dean Castle, Baird Institute, Burns House Museum, Palace Theatre) to ensure all venues maintain at least four star Visit Scotland status				
23	Identify full venue costs associated with maintaining VisitScotland status	CO	N	
24	Identify capital costs required to develop the cultural built environment assets to ensure they are maintained at the level required.	CO	S	A Leisure Capital Investment Programme Board has been established with key colleagues in EAL and EAC to identify priority capital projects for core venues. The group meets monthly.
Action: We will work with local partners to develop an options appraisal for the future of Auchinleck Leisure Centre				
25	Identify full venue costs associated with the development of Auchinleck Leisure Centre as a standalone venue including staffing, services etc.	CO	N	

26	Identify capital costs required to develop Auchinleck Leisure Centre as a standalone venue including separation of boiler and pool plant, floodlit car parking etc	CO	N	
27	Develop an options appraisal that identifies various options for the future of the Leisure Centre	CO	N	
Action: We will work with East Ayrshire Council on the development of Doon Leisure Centre as part of the new school development at Doon Academy				
28	Develop an options appraisal that identifies opportunities for leisure provision within the proposed Doon Academy Learning Campus	CO	N	
29	Attend project board meetings to ensure that community leisure requirements are represented	CO	N	
Action: We will work with East Ayrshire Council to carry out a review of all synthetic and grass and pitches and pavilions as well as a floodlight replacement programme				
30	Establish a working group to review existing facilities and user information	P&EDM	S	A review of all pitches in East Ayrshire has taken place which has included condition and user levels. This will inform the working group objectives.
31	Develop an action plan that identifies development and investment opportunities for sports pitches over a 10 year period	P&EDM	N	
32	Develop opportunities for alternative and innovative use of pitches and pavilions where appropriate	P&EDM	N	
Action: We will develop an Improvement Plan for Ayrshire Athletics Arena that includes an extension to the outdoor spectator area at Ayrshire Athletics Arena to enhance the facility and attract National Athletics Events				
33	Liaise with key partners to develop a costed specification for spectator and other facilities at Ayrshire Athletics Arena	SDM	S	Initial discussions have taken place with Scottish Athletics to agree spectator requirements for national competitions. This will inform a business case for the improvements at Ayrshire Athletics Arena.
34	Submit funding applications	SDM	N	
35	Develop a sponsorship package	SDM	N	
36	Increase spectator seating capacity by 50%	SDM	N	
37	Work with Scottish Athletics and Kilmarnock Harriers to attract 2 national events to complement the local and regional programme of athletics events at the AAA	SDM	N	
Action: We will continue to implement the East Ayrshire Strategic Route Network				

38	Implement a 40km paths network in the Irvine Valley	LDM	S	Contractors have been appointed to implement the first phase of works. Interpretation consultants have also been appointed to develop a suite of signage and interpretation for the network.
39	Develop and implement phase 2 (detailed design) of the Kilmarnock Green Infrastructure Project by July 2020	LDM	S	Tender documents have been developed to appoint consultants to carry out the detailed design of the project.
40	Secure funding for phase 3 (capital implementation) of the Kilmarnock Green Infrastructure Project by December 2020	LDM	N	
41	Deliver programmed actions supporting development of the 22km Kilmarnock Green Infrastructure Project by March 2022	LDM	N	
42	Oversee implementation of the Doon Valley Way and the Lugar Water Trail as part of the Coalfield Communities Landscape Partnership	LDM	S	All funding has been secured for the access projects within the Landscape Partnership scheme.
Action: To develop a masterplan for the development of the Palace Theatre and Grand Hall Complex and submit funding bids to implement the masterplan				
43	Develop a masterplan for the Palace Theatre and Grand Hall Complex	CO	S	Working group has been established as part of the overall masterplan for Kilmarnock Town Centre Regeneration.
44	Submit external funding bids	CO	N	
45	Develop community engagement and activity plan	CO	N	
46	Commission a consultant for detailed design	CO	N	
Action: We will develop a management plan for Annanhill Golf Course that maximises customer experience whilst protecting and enhancing nature conservation				
47	Development of a community engagement/consultation plan	P&EDM	N	
48	Development of a maintenance and repair programme	P&EDM	N	
49	Production of a costed programme of improvements	P&EDM	N	
50	Adoption of a 5 year management plan for the integrated site which includes parkland and golf course	P&EDM	N	
51	Submit Greenflag Award application	P&EDM	N	

Action: We will review the Dean Castle Country Park management plan to ensure a that visitors continue to enjoy the country park whilst protecting and enhancing nature conservation				
52	Development of a community engagement/consultation plan	P&EDM	N	
53	Development of a maintenance and repair programme	P&EDM	N	
54	Production of a costed programme of improvements	P&EDM	N	
55	Adoption of a 5 year management plan	P&EDM	C	A 5 year management plan has been prepared for Dean Castle Country Park.
56	Greenflag Award achieved	P&EDM	S	A greenflag application was submitted in February 2020. Assessment has been delayed and should take place in quarter 3 subject to assessor availability.
Action: We will develop a maintenance and development plan for the River Ayr Way				
57	Development of a community engagement/consultation plan	LDM	N	
58	Development of a maintenance and repair programme	LDM	N	
59	Production of a costed programme of improvements	LDM	N	
60	Adoption of a 5 year maintenance and development plan for the River Ayr Way	LDM	N	

LIVING YOUR BEST LIFE

Delivery Plan Output		Lead	Progress	Comments
Action: We will develop an EAL specific cultural engagement strategy to outline our commitment to lifelong participation in visual and performing arts, libraries, museums and performing arts				
61	Establish a number of cultural engagement working groups to work on each area of engagement	CDM	N	
62	Develop an engagement strategy which outlines sustained engagement programmes such as Bookbug, E-books, reader development strategies; digital initiatives and participatory arts activities	CDM	N	
63	Include the Education Attainment Challenge Framework and other school facing activities and monitor related active involvement	CDM	N	
64	Align the above to a shared set of objectives, performance indicators and monitoring systems in relation to all cultural engagement activities	CDM	N	
Action: We will continue to programme high quality outward facing cultural programmes that profile East Ayrshire as a must visit destination.				
65	Establish a number of programming working groups to weave together the diverse cultural threads that form the fabric of East Ayrshire's cultural programme	CDM	N	
66	Deliver a rolling two year visual art exhibition and event plan which delivers high impact/profile programmes that capture the imagination and helps to grow visitor/audience numbers by 1% over 2 years.	CDM	S	2020 Visual Art Exhibition Programme has started with the 'Art of Selling Songs'. This will continue until December 2020.
67	Support community partners in the delivery of their cultural events including work with event organisers such as the Boswell Book Festival and the Cumnock Tryst.	CDM	S	Initial discussions have taken place with the Boswell Book Festival to explore opportunities for working together.
Action: We will continue to offer a varied programme of events and activities across our performing arts venues and extend the programme to community venues				
68	Deliver a programming policy which supports an innovative programme of dance, music and drama across all community and performing arts venues	C&PDM	N	
69	Support community partners in the delivery of their performing arts workshops and programmes	C&PDM	N	
70	Provide youth theatre opportunities for young people from 5 – 18 years	C&PDM	N	
71	Present 2 EAYT productions each year.	C&PDM	N	

Action: We will complete the refurbishment and restoration of Dean Castle and establish the importance of the re-opening of the newly refurbished venue				
72	Deliver the five year plan which forms part of the funded programme commitment.	CO	S	The contractor working on the Castle project has gone into administration. It is hoped to have new arrangements in place by September 2020.
73	Carry out detailed evaluation plan linked to the funded programme.	CO	N	
74	Relaunch Dean Castle in 2021	CO	N	Due to the contractual delays, the reopening of the Castle is scheduled for 2022.
75	Maintain current standard of collection care and meet our Accreditation/Recognition commitments.	CO	N	
Action: We will prepare an East Ayrshire Aquatics Strategy				
76	Establish a Swimming Development working group with all key stakeholders represented	SDM	N	
77	Develop an district wide aquatics strategy which sets a shared set of objectives, performance indicators and monitoring systems in relation to all aquatics sports and activities	SDM	N	
78	Increase 'Learn to Swim' membership by 10%	SDM	N	
79	Introduce our Rookie Lifeguard programme into 2 schools each year	SDM	N	
80	Provide internal and external opportunities for training and recruitment of Scottish Swimming Tutors	SDM	N	
Action: We will develop a Community Golf Development Plan to encourage participation school, community and club golf				
81	Establish a working group with key stakeholders and establish a regular meeting schedule	SDM	N	
82	Develop a Golf Development Plan which sets a shared set of objectives, performance indicators and monitoring systems in relation to school, community and club golf	SDM	N	
83	Increase golf membership by 2% each year using 2019 as a baseline	SDM	N	
Action: We will develop a Sports Coaching Strategy that will identify the progression from grassroots activity to club participation for priority sports and will introduce foundation skills for priority sports, coach education and employment				
84	Establish a Coaching Development working group with all key stakeholders represented	SDM	N	

85	Develop an district wide sports coaching strategy which sets a shared set of objectives, performance indicators and monitoring systems in relation to all sports and activities	SDM	N	
86	Develop a subsidised coach education programme with integrated volunteer hours	SDM	N	
87	Introduce a coaching programme with 3 annual blocks for each priority sport	SDM	N	
88	Develop a partnership with each club associated with priority sport	SDM	N	
Action: We will develop a plan for Outdoor Learning that introduces young people to outdoor, experiential learning				
89	Increase participation in outdoor learning activities by 5% based on 2019 figures as a baseline	LDM	N	
90	Organise an annual outdoor learning school holiday programme	LDM	N	
91	Participate annually in Playday	LDM	N	
92	Support 3 schools each year in the development of outdoor learning initiatives	LDM	N	
Action: We will develop a Recreation Plan for East Ayrshire which will promote walking, cycling and other outdoor pursuits throughout East Ayrshire				
93	Carry out a review of existing Core Path Network	LDM	C	The review of the core path network is complete and will inform the Recreation Plan.
94	Implementation of a community engagement/consultation plan	LDM	N	
95	Development of an East Ayrshire Recreation Plan for the period 2020 – 2025 which details Core Paths, Local Path Networks, Hill Paths, Water Access Routes and key Recreation Sites	LDM	S	A draft Recreation Plan has been prepared and will be presented to Trustees in December 2020.
Action: We will continue to attract local and national sporting events to our community sporting events				
96	Attract 4 new events to our community sports venues each year	SDM	N	
Action: We will continue to work on an innovative programme to raise the profile of the Grand Hall as a regional and national venue for large scale music events and programmes				
97	Organise at least 2 large scale events annually	C&PDM	N	
98	Represent East Ayrshire Leisure at relevant trade fairs and conferences	C&PDM	N	

Action: We will continue work with Imagine Theatre on a collaborative approach to Pantomime production				
99	Formalise a co-production plan with Imagine Theatre for 2020-22	C&PDM	S	A business case is being developed for an on-line alternative to the pantomime for 2020.
100	Present an annual pantomime performance including: 2020: Aladdin, 2021: Snow White, 2022: Peter Pan (tbc)	C&PDM	N	Panto 2020 has been rescheduled to 2021.
101	Increase income by 3% and reduce subsidy by 3% by the end of the plan period using 2019 as a baseline	C&PDM	N	
102	Organise annual pantomime educational workshop	C&PDM	N	
Action: To host Illuminight with Lidl at Dean Castle Country Park for the 4th year				
103	Increase in attendances by 10% with 2019 as baseline	LDM	N	Illuminight 2020 has been cancelled.
104	Increase in profit by 3% with 2019 as baseline	LDM	N	
105	3 sponsors engaged in event	LDM	N	
106	£10k external funds to enhance creative	LDM	N	
107	10 student placements	LDM	N	
108	10 volunteers	LDM	N	
Action: We will enhance and develop our annual running programme that introduces people to running, provides a progressive pathway and attracts national competitors to East Ayrshire				
109	Increase participation in Cairn Table Race, K12/24 and River Ayr Way Challenge by 5% based on 2019 figures as a baseline	LDM	N	All 2020 trail running events were cancelled.
110	Deliver a 'Couch to 5k' and '10 weeks to 10k' progressive running programme	LDM	N	The 2020 running programme was cancelled.
111	Support Kilmarnock Harriers in the development of the annual 'Roon the Toon' 10k event	LDM	N	Roon the Toon 2020 was cancelled.
112	Support Dean Castle Country Park Run Group in the delivery of the weekly parkrun programme	LDM	N	Dean Castle Park Run has been suspended until restrictions are lifted.
113	Support community groups in the development of annual community running events	LDM	N	
Action: We will work with partners to develop a programme of activities that will celebrate the 2020 Summer Olympics				

114	Establish a working group with multi-agency representatives	SDM	S	A multi agency groups was established but was disbanded due to lockdown restrictions. This will be reviewed in 2021.
115	Submit external funding applications to support programme of activities	SDM	N	
116	Develop and implement a programme of events and activities	SDM	N	
117	Include activities that promote 2 'Fringe' sports from the Summer Olympics	SDM	N	
Action: We will encourage community participation in fitness through the introduction of a GP Referral Scheme and a programme of fitness classes and activities				
118	Organise 4 'come and try' fitness open days at each community sports facility each year	SDM	N	
119	Increase participation in fitness classes by 10% by 2022	SDM	N	
120	Develop a partnership with Kilmarnock Leisure Centre Trust to jointly promote and develop fitness activities	SDM	N	
121	Develop a GP Referral Fitness Pathway to support customer progression	SDM	N	
122	Introduce Personal Training sessions to 5 community sports venues	SDM	N	
123	Provide opportunities for employees to progress to level 3 personal training/fitness	SDM	N	
Action: We will provide experiential learning opportunities for young people through our Treehouse Residential Centre				
124	Treehouse: Promote the services offered through the residential centre to East Ayrshire Headteachers	LDM	N	
125	Treehouse: Work with community groups to raise the profile of the residential centre	LDM	N	
126	Treehouse: Organise 5 week long residential, experiential programmes each year	LDM	N	

INVESTING IN OUR PEOPLE & EMBRACING OUR VALUES

Delivery Plan Output		Lead	Progress	Comments
Action: We will design and implement a People Strategy that will support and facilitate the delivery of operational objectives				
127	Development of an Equality and Diversity Statement	HCS	N	
128	Implementation of an Organisational Development Framework	HCS	N	
129	Review and enhance the existing Staff Reward and Recognition Scheme celebrating a minimum of 8 individuals/teams each year	HCS	C	The scheme has been updated to reflect our B.E.S.T values and both staff and customer submission forms have been updated and are available on-line.
130	Design a training and development programme which is tailored to meet the needs of the organisation.	HCS	S	Work is underway to complete a Training & Development Programme for 2020/21 based on PDP submissions from 2019/20.
131	Develop a new review and development programme linked to strategic themes and organisational values	HCS	C	The Review of B.E.S.T. Practise is an online submission form that will be rolled out to staff during 2021/22.
Action: We will embed and develop our 'Exchange' programme in all forums and structures for communication				
132	Implement an annual programme of staff and team meetings	HCS	S	A Development & Engagement Programme for 2020/21 is currently being produced.
133	Organise an annual staff event	HCS	S	All staff were asked to attend an Exchange Session as well as those employees who were ending a period of furlough leave.
134	Produce 4 staff newsletters each year	HCS	C	During these unprecedented times the frequency of the staff newsletter has increased to maintain communication with those members of staff on furlough leave and limit feelings of isolation.
135	Develop and enhance the staff intranet	HCS	S	Work is ongoing with the intention of launching the new staff intranet during 2020.
136	Introduce a programme of Chief Officer engagement sessions	HCS	C	A series of 'Coffee Chats' have taken place on various topics over the past months. Future topics will be

				based on staff feedback from last year's Exchange sessions.
137	Co-ordinate a series of working groups to review and develop key business areas	HCS	C	Working Groups have been established for areas of the organisation that require further scrutiny or where a Business Development idea has been approved for consideration.
Action: We will develop a Volunteer Strategy We will develop a Volunteer Strategy that will allow employees and the community to engage in volunteering opportunities				
138	Recruit 2 modern apprentices each year of the plan and support apprentices to achieve SVQ qualifications	LDM	N	
139	Develop a Community Path Warden Scheme and recruit 3 volunteer path wardens each year	LDM	N	
140	Develop and deliver a programme of mentoring and training	LDM	N	
141	Organise 4 volunteering events each year	LDM	N	
142	Continue to support Dean Castle Textile Team	LDM	N	
143	Develop a Volunteer Strategy which identifies opportunities for: Regular volunteer placements, Community volunteer events, School work experience, Modern apprenticeships, Employee volunteering days	LDM	N	
Action: We will review our annual employee review process and develop a Review and Development Programme that ensures BEST practice across all of our service areas.				
144	Review the existing annual employee review programme	HCS	C	Annual employee review is now based on our core values and the new 'Review of B.E.S.T. Practise' will be completed through an online submission form and rolled out to staff during 2021/22.
145	Develop a new review and development programme linked to strategic themes and organisational values	HCS	N	
146	Implement a training programme for all employees to ensure engagement in review and development	HCS	N	
Action: We will designate Trustees as ambassadors for key areas of the business				
147	Nominate Trustees as business are ambassadors	CO	N	

148	Implement a training programme for Trustees and agree an annual programme of engagement	CO	N	
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CREATING A SOLID FOUNDATION FOR GROWTH

Delivery Plan Output	Lead	Progress	Comments	
Action: We will develop and maintain robust health and safety and risk management processes to ensure that our people and customers are in a safe environment				
149	Review the remit of the Health and Safety Working group to ensure it meets the needs of the organisation	HCS	S	Virtual meetings are being held with the Development Managers with a clear focus on COVID-19
150	Ensure that Health and Safety is a standard item on all team meetings	HCS	S	Meeting schedule has been amended as a result of COVID-19. Executive Management and Development Managers are aware of the importance of H&S being a standing item on agenda's.
151	Continue to record and review all incidents/near misses across the organisation	HCS	S	The She system has been updated to reflect the new structure.
152	Review Health & Safety Standards and Protocols	HCS	S	Standards and protocols are reviewed on an ongoing basis.
Action: To review and continually improve and enhance our information technology infrastructure and operations and to embrace digital technology				
153	Review wifi across all our venues	HCS	N	
154	Review and develop our box office and booking system and operations to enhance the customer journey	HCS	S	Work has been commissioned with Nouveau which will improve the box office and booking system customer journey and provide online bookings within our sports venues.
155	Review and development of website	HCS	S	Development will be an ongoing process to ensure maximum engagement and customer focus. During this period there has with a focus on the sport work out from home, cultural online book catalogue.

156	Develop stock and ordering system to streamline processes	HCS	N	
Action: We will review, develop and maintain robust financial processes to ensure financial sustainability of our organisation				
157	Design Financial Strategy	HCS	N	
158	Unqualified external audit	HCS	C	Achieved for 2019-20, due for submission to AGM 18 Sept 20
159	Implement annual internal audit plan and identify improvements	HCS	S	2020-21 Internal Audit Plan submitted to PASC 19 May 2020
160	Achieve identified savings targets	HCS	C	Submitted to Board 25 Feb 2020
161	Annual review and development of charging schedule	HCS	S	Achieved 2020-21, submitted to Board 25 Feb 2020; 2021-22 Review scheduled to commence Jan 2021
162	Review of accountancy bulletins and protocols	HCS	S	Accountancy bulletins and protocols are reviewed on an ongoing basis.
Action: We will carry out a review of income and expenditure across all cost centre and expenditure codes to streamline financial monitoring and reporting				
163	Updated financial reporting to reflect organisation and management review	HCS	C	Financial reporting reflects the 2020/21 organisational structure.
164	Streamlined Coding Structure with a 15% reduction in financial coding	HCS	S	Process has been developed and work is underway with the Development Managers to reduce needless coding where possible.
Action: We will review the existing Service Level Agreement with East Ayrshire Council to ensure high quality service delivery				
165	Revised Service Level Agreement for the period 2020 – 2025	CO	N	
Action: We will develop partnerships and collaborative working arrangements with partners and key stakeholders				
166	Identify and explore all opportunities to promote full East Ayrshire Leisure offering	CO	N	
167	Establish a liaison group at shared sites to ensure cross service promotion and integrated working arrangements	CO	N	
Action: We will create a programme of internal and external review, analysing both customer and staff satisfaction levels, highlighting areas of success and identifying areas for development				

168	Continue our VisitScotland Accreditation Scheme (visits to venues every 2 years)	R&BDM	N	Accreditation visits are currently on hold as a result of COVID-19.
169	Mystery shopping carried out annually	R&BDM	N	Due Nov 2020, dependant on COVID-19 situation.
170	Staff satisfaction surveys carried out every two years	R&BDM	N	
171	Development Plans produced from each review undertaken	R&BDM	S	Process is being considered that will allow action plans from various sources to be merged into one overall plan for the organisation.
172	Review and development of customer feedback	R&BDM	N	
Action: We will identify areas for growth across all areas of the Trust with a focus on retail, hospitality, membership and other key business areas.				
173	Development of a Retail Strategy to identify opportunities across venues and organisational areas	HCS	N	
174	Development of a range of membership packages	HCS	S	Working group was set up and options for 'Friends' and 'Supporters' schemes were investigated which will be developed throughout 2020.
175	Development of a Hospitality Plan which identifies opportunities for bars, cafes, vending and event catering	HCS	S	Reactivation plan is currently in place to maximise income opportunities.
176	Development of a 'Big Ideas' process to encourage employees to identify new business initiatives and to ensure that projects are monitored from initial stages to final evaluation	HCS	C	The Business Development Protocol sets out the 'Big Ideas' process inviting employees to submit ideas which they believe will benefit and develop the organisation.
177	Identify a 'Big Ideas' panel to reflect on submissions and provide timeous feedback and to refer selected ideas for implementation, monitoring and reporting	HCS	C	The Business Development Protocol outlines the review process undertaken by the Executive Management.
Action: We will create a robust performance framework and systems which will support all staff to successfully implement delivery planning priorities and improve workplace performance				
178	Implement a workplace framework which will facilitate a positive performance climate	HCS	N	
179	Design and Implement a revised Review and Development Framework linking workplace performance to business planning priorities	HCS	N	

180	Design and introduce a revised recruitment process based upon workplace values	HCS	N	
181	Set and meet challenging financial targets and build sufficient reserves.	F&BDM	N	
182	Design and implement key quality indicators in order to measure the quality of our performance	HCS	N	
183	Review, measure, monitor and report upon key performance indicators	HCS	N	
184	Measure monitor and report upon business planning priorities	HCS	N	
PROTECTING OUR ENVIRONMENT				
Delivery Plan Output		Lead	Progress	Comments
Action: We will publish an annual Climate Change Declaration that outlines our carbon footprint and our priorities for carbon reduction				
185	Develop a monitoring system to carry out regular monitoring electricity, gas, water and other utility use	P&EDM	C	A system of monitoring is in place
186	Report on annual carbon use by April of each year	P&EDM	N	
187	Develop an annual action plan to identify measures to reduce carbon use and improve environmental efficiency.	P&EDM	N	
Action: We will participate in the VisitScotland Green Business Scheme to reduce the impact our organisation has on the environment				
188	Organise a liaison meeting with VisitScotland to identify key actions for inclusion within the Green Business Scheme	P&EDM	N	
189	Develop an action plan to adopt the principles of the Green Business Scheme	P&EDM	N	
190	Apply for accreditation within the scheme	P&EDM	N	
191	Apply for Green Business Accreditation	P&EDM	N	
Action: We will develop an organisational wide Sustainable Transport Strategy and embed the principles of Active and Sustainable Travel throughout our organisation, projects and programmes				
192	Establish a working group and agree a set of objectives and actions for the development of the strategy	P&EDM	N	
193	D/velop a Sustainable Transport Strategy which includes priorities for active travel including travel to work and travel for work, as well as	P&EDM	N	

	opportunities for customers to access our facilities using sustainable transport choices			
194	Carry out a programme of staff awareness sessions	P&EDM	N	
195	Reduce staff mileage by 5%	P&EDM	N	

KEY UPDATES

Insurance Claims

The following information provides an update on the number of live claims in progress during the period April – June 2020:-

Public Liability	3 claims remain ongoing 1 new claim was received
Employers' Liability	1 claim remains ongoing 1 claim was closed
Motor Claim	No new claims or outstanding claims

Claims submitted by East Ayrshire Leisure

Following a government announcement East Ayrshire Leisure closed the doors to the public for all venues and offices on the 18th March. This has had a detrimental impact on the organisation therefore a Business Interruption Claim was submitted by East Ayrshire Leisure to Zurich Municipal Insurance for business losses as a result of the coronavirus.

Business Interruption Claim	1 new claim was submitted
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Gifts & Hospitality

No gifts or hospitality were received during this period.

Customer Complaints

During the April-June 2020 period 52 comments were received and logged by the Marketing & Development Team; 2 of these were complaints, and were categorised as follows:

Category	No Received	Stage 1 / 2	Status
Car Parking	1	1	Resolved
Memberships	1	1	Resolved

Positive Comments

We received 2 positive comments during the period both of which were regarding our staff:

“I would just like to pass on that the young girl xxx who is working in the starters office at Annanhill Golf Course is a credit to East Ayrshire Council, so helpful and friendly nothing seems a problem to her. I know we criticise and moan about your workers sometimes so credit where credit is due, she is doing a great job and an asset.”

"We have just completed our morning walk around the estate and I have to say the two men manning the kiosk – xxx and xxx are absolutely so nice to deal with, and of course xxx and xxx. It is such a pleasure to deal with them.”



FINANCIAL PERFORMANCE

TO 30.06.20



Performance & Audit Sub Committee
2020/21 EAST AYRSHIRE LEISURE BUDGET
AS AT 30th June 2020 – QUARTER 1 - PERIOD 3
SIGNIFICANT VARIANCES – ANALYSIS & COMMENTARY

The projected outturn for East Ayrshire Leisure at 30th June 2020 is an adverse position of £893,890 which will be reduced by external funding received of £450,000 and potential further funding of approximately £250,000 resulting in a potential adverse position of £193,890. Management will continue to monitor and implement action to minimise adverse position.

Detailed explanation of variances can be found within individual Service Analysis.

There are further variances within Income and Expenditure, these have been closely monitored and managed within the Service during the year where possible - detailed analysis provided below.

TABLE A – Overall Net Position (including Income/Expenditure) for East Ayrshire Leisure analysed by Service Area

TABLE B – Overall Net Position (including Income/Expenditure) for East Ayrshire Leisure analysed by Subjective Level

TABLE C – Income Position for East Ayrshire Leisure analysed by Service Area

TABLE D – Expenditure Position for East Ayrshire Leisure analysed by Service Area

ANNUAL BUDGET – Table below provides detail of Annual Budget showing the impact of 2020/21 savings approved at 25th February 2020 Board.

Service Division	Annual Budget 2020/21	Annual Budget 2020/21 Qtr 1	Annual Budget 2020/21 Qtr 2	Annual Budget 2020/21 Qtr 3	Annual Budget 2020/21 Qtr 4
EXECUTIVE MANAGEMENT	1,384,720	1,376,610			
OPERATIONAL SERVICES	3,438,060				
SAVINGS TO BE ALLOCATED	(190,750)				
CULTURAL DEVELOPMENT		1,451,340			
COMMUNITY & PERFORMING ARTS DEVELOPMENT		410,970			
LEISURE DEVELOPMENT		658,030			
SPORTS DEVELOPMENT		650,780			
PROPERTY & ESTATES DEVELOPMENT		179,360			
TOTAL	4,632,030	4,727,090	0	0	0
Management Fee	(4,632,030)	(4,727,090)			
Reserves					
TOTAL	0	0	0	0	0

Venues Allocated to Sport Areas:-

- Community Sports Area 1 Grange Leisure Centre, St Josephs Leisure Centre, William McIlvanney Campus, Stewarton Sports Centre, Ayrshire Athletics Arena, Scott Ellis Pavillion
- Community Sports Area 2 Auchinleck Leisure Centre, Doon Valley Leisure Centre, Loudoun Leisure Centre, Hunter Fitness Suite, Annanhill Golf Course
- Sports Temporary Facilities Venues temporarily held by EALT, operating under management arrangements with community groups, funded by EAC

TABLE A – OVERALL NET POSITION

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	Service Division	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
252,458	1,335,535	EXECUTIVE MANAGEMENT	1,376,610	447,994	479,002	33%	1,446,770	70,160
203,822	1,049,622	Corporate Services	1,032,520	352,109	409,647	34%	1,008,520	(24,000)
58,563	297,803	Relationship & Business Development	389,150	80,047	100,524	21%	379,150	(10,000)
(9,927)	(11,891)	Hospitality Development	(45,060)	15,839	(31,169)	-35%	59,100	104,160
348,346	1,621,181	CULTURAL DEVELOPMENT	1,451,340	404,030	397,645	28%	1,438,250	(13,090)
21,205	97,030	Cultural Development	270,670	97,745	70,070	36%	267,890	(2,780)
33,369	148,948	Collection Care	105,090	45,741	29,212	44%	104,390	(700)
34,103	182,046	Visual Arts Development	52,750	6,672	12,868	13%	52,750	0
33,215	130,205	Museums Development	105,600	21,606	24,416	20%	105,980	380
226,455	1,062,952	Libraries	917,230	232,267	261,079	25%	907,240	(9,990)
63,115	482,540	COMMUNITY & PERFORMING ARTS DEVELOPMENT	410,970	117,427	140,534	29%	624,340	213,370
42,018	155,503	Performing Arts Development	215,440	50,282	106,139	23%	270,460	55,020
47,923	400,066	Community Development	231,090	66,156	41,857	29%	368,280	137,190
(26,827)	(73,029)	Community Lettings & Co-Managed Centres - Lets	(35,560)	989	(7,462)	-3%	(14,400)	21,160
132,036	794,546	LEISURE DEVELOPMENT	658,030	131,219	163,522	20%	673,590	15,560
51,849	297,796	Leisure Development	166,090	42,780	40,980	26%	181,830	15,740
79,523	463,637	Countryside & Visitors Development	451,100	80,073	112,029	18%	443,920	(7,180)
664	33,113	Green Infrastructure Development	40,840	8,367	10,513	20%	40,840	0
0	0	Volunteer Development	0	0	0		7,000	7,000
85,345	878,637	SPORTS DEVELOPMENT	650,780	290,744	102,197	45%	1,271,040	620,260
57,787	313,370	Sports Development Team	261,660	69,406	66,810	27%	261,660	0
1,140	130,081	Community Sports Area 1	55,280	104,184	8,692	188%	385,190	329,910
23,382	352,736	Community Sports Area 2	309,120	115,859	23,261	37%	596,300	287,180
8,651	44,608	Temporary Facilities	990	925	990	93%	990	0
(5,615)	37,843	Football Venues	23,730	369	2,444	2%	26,900	3,170
0	0	PROPERTY & ESTATES DEVELOPMENT	179,360	34,968	46,713	19%	166,990	(12,370)
881,300	5,112,439	TOTAL	4,727,090	1,426,382	1,329,613	30%	5,620,980	893,890
(1,144,228)	(4,945,950)	Management Fee	(4,727,090)	(1,162,892)	(1,184,635)	25%	(4,727,090)	0
(262,928)	166,489	TOTAL	0	263,490	144,978		893,890	893,890
(32,350)	(68,760)	Trs From Reserves	0	0	0		0	0
(295,278)	97,729	TOTAL (after transfer from reserves)	0	263,490	144,978		893,890	893,890
0	0	External Funding	0	(449,337)	0		(700,000)	(700,000)
(295,278)	97,729	TOTAL (after external funding)	0	(185,846)	144,978	0	193,890	193,890

TABLE B – OVERALL NET POSITION

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	Service Division	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
(475,132)	(2,174,887)	Income From Charitable Activities	(2,286,930)	(73,794)	(577,618)	3%	(750,880)	1,536,050
(1,144,228)	(4,945,950)	Management Fee	(4,727,090)	(1,162,892)	(1,184,635)	25%	(4,727,090)	0
0	0	External Funding	0	(449,337)	0		(700,000)	(700,000)
(1,619,360)	(7,120,837)	TOTAL INCOME	(7,014,020)	(1,686,023)	(1,762,253)	24%	(6,177,970)	836,050
982,370	5,158,824	Employee Costs	5,075,480	1,343,737	1,305,190	26%	4,834,310	(241,170)
5,258	38,754	Transport Costs	33,750	4,621	8,480	14%	32,460	(1,290)
66,314	672,573	Premises Costs	588,300	39,398	96,673	7%	583,410	(4,890)
283,198	1,083,798	Supplies & Services	1,187,940	106,581	471,055	9%	826,640	(361,300)
0	27,187	Financing Costs	4,000	0	0	0%	4,000	0
0	187,400	Support Costs	0	0	0		0	0
19,291	118,790	Governance Costs	124,550	5,839	28,393	5%	91,040	(33,510)
1,356,432	7,287,326	TOTAL RESOURCES EXPENDED	7,014,020	1,500,176	1,909,791	21%	6,371,860	(642,160)
(262,928)	166,489	NET POSITION	0	(185,846)	147,538		193,890	193,890
(32,350)	(68,760)	Trs From Reserves	0	0	0		0	0
(295,278)	97,729	TOTAL (after transfer from reserves)	0	(185,846)	147,538		193,890	193,890

TABLE C – INCOME POSITION

Revised Actual Income To 30/6/20	Actual Out-turn to 31/03/20	Service Division	Annual Estimate 2020/21	Revised Actual Income To 30/6/20	Revised Budget Income To 30/6/20	Actual Income as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
(66,309)	(278,186)	EXECUTIVE MANAGEMENT	(349,540)	(535)	(99,412)	0%	(95,160)	254,380
(4,764)	(20,072)	Corporate Services	(19,000)	(43)	(4,752)	0%	(19,000)	0
(631)	(3,010)	Relationship & Business Development	(1,500)	0	(375)	0%	(1,500)	0
(60,914)	(255,105)	Hospitality Development	(329,040)	(491)	(94,285)	0%	(74,660)	254,380
(19,107)	(120,397)	CULTURAL DEVELOPMENT	(100,050)	(9,361)	(26,379)	9%	(51,570)	48,480
(1,175)	(16,750)	Cultural Development	(17,800)	44	(4,451)	0%	0	17,800
(5,406)	(10,465)	Collection Care	(2,610)	(1,575)	(1,965)	60%	(3,310)	(700)
0	0	Visual Arts Development	0	0	0		0	0
(243)	(16,694)	Museums Development	(4,980)	0	(1,245)	0%	(1,600)	3,380
(12,284)	(76,489)	Libraries	(74,660)	(7,830)	(18,718)	10%	(46,660)	28,000
(115,942)	(718,239)	COMMUNITY & PERFORMING ARTS DEVELOPMENT	(628,240)	(4,286)	(100,318)	1%	(108,670)	519,570
(24,979)	(335,247)	Performing Arts Development	(309,820)	(250)	(25,596)	0%	(15,760)	294,060
(62,892)	(287,263)	Community Development	(279,290)	(4,016)	(65,635)	1%	(76,010)	203,280
(28,070)	(95,728)	Community Lettings & Co-Managed Centres - Lets	(39,130)	(20)	(9,087)	0%	(16,900)	22,230
(33,058)	(98,230)	LEISURE DEVELOPMENT	(66,840)	(6,175)	(16,710)	9%	(33,280)	33,560
(23,620)	(54,473)	Leisure Development	(15,740)	0	(3,935)		0	15,740
(9,438)	(42,208)	Countryside & Visitors Development	(51,100)	(6,175)	(12,775)	12%	(33,280)	17,820
0	(1,549)	Green Infrastructure Development	0	0	0		0	0
0	0	Volunteer Development	0	0	0		0	0
(240,715)	(959,835)	SPORTS DEVELOPMENT	(1,142,260)	(53,437)	(337,359)	5%	(462,200)	680,060
(608)	(955)	Sports Development Team	0	0	0		0	0
(108,710)	(511,593)	Community Sports Area 1	(608,050)	(1,430)	(148,766)	0%	(246,340)	361,710
(126,485)	(436,818)	Community Sports Area 2	(529,970)	(52,008)	(187,321)	10%	(214,790)	315,180
(3,293)	(6,139)	Temporary Facilities	0	0	0		0	0
(1,620)	(4,330)	Football Venues	(4,240)	0	(1,272)	0%	(1,070)	3,170
0	0	PROPERTY & ESTATES DEVELOPMENT	0	0	0		0	0
(475,132)	(2,174,887)	TOTAL	(2,286,930)	(73,794)	(580,178)	3%	(750,880)	1,536,050
(1,144,228)	(4,945,950)	Management Fee	(4,727,090)	(1,162,892)	(1,184,635)	25%	(4,727,090)	0
0	0	External Funding	0	(449,337)	0		(700,000)	(700,000)
(1,619,360)	(7,120,837)	TOTAL	(7,014,020)	(1,686,023)	(1,764,813)	24%	(6,177,970)	836,050

TABLE D – EXPENDITURE POSITION

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	Service Division	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable / Adverse)
318,767	1,613,721	EXECUTIVE MANAGEMENT	1,726,150	448,529	578,414	26%	1,541,930	(184,220)
208,586	1,069,694	Corporate Services	1,051,520	352,152	414,399	33%	1,027,520	(24,000)
59,194	300,813	Relationship & Business Development	390,650	80,047	100,899	20%	380,650	(10,000)
50,987	243,214	Hospitality Development	283,980	16,330	63,116	6%	133,760	(150,220)
367,453	1,741,578	CULTURAL DEVELOPMENT	1,551,390	413,391	424,024	27%	1,489,820	(61,570)
22,379	113,780	Cultural Development	288,470	97,701	74,521	34%	267,890	(20,580)
38,775	159,413	Collection Care	107,700	47,316	31,177	44%	107,700	0
34,103	182,046	Visual Arts Development	52,750	6,672	12,868	13%	52,750	0
33,458	146,899	Museums Development	110,580	21,606	25,661	20%	107,580	(3,000)
238,738	1,139,441	Libraries	991,890	240,097	279,797	24%	953,900	(37,990)
179,057	1,200,778	COMMUNITY & PERFORMING ARTS DEVELOPMENT	1,039,210	121,713	240,852	12%	733,010	(306,200)
66,997	490,750	Performing Arts Development	525,260	50,532	131,735	10%	286,220	(239,040)
110,816	687,330	Community Development	510,380	70,172	107,492	14%	444,290	(66,090)
1,243	22,699	Community Lettings & Co-Managed Centres - Lets	3,570	1,008	1,625	28%	2,500	(1,070)
165,094	892,776	LEISURE DEVELOPMENT	724,870	137,394	180,232	19%	706,870	(18,000)
75,469	352,269	Leisure Development	181,830	42,780	44,915	24%	181,830	0
88,961	505,845	Countryside & Visitors Development	502,200	86,248	124,804	17%	477,200	(25,000)
664	34,662	Green Infrastructure Development	40,840	8,367	10,513	20%	40,840	0
0	0	Volunteer Development	0	0	0		7,000	7,000
326,061	1,838,472	SPORTS DEVELOPMENT	1,793,040	344,181	439,556	19%	1,733,240	(59,800)
58,395	314,325	Sports Development Team	261,660	69,406	66,810	27%	261,660	0
109,850	641,674	Community Sports Area 1	663,330	105,614	157,458	16%	631,530	(31,800)
149,867	789,554	Community Sports Area 2	839,090	167,867	210,582	20%	811,090	(28,000)
11,944	50,747	Temporary Facilities	990	925	990	93%	990	0
(3,995)	42,173	Football Venues	27,970	369	3,716	1%	27,970	0
0	0	PROPERTY & ESTATES DEVELOPMENT	179,360	34,968	46,713	19%	166,990	(12,370)
1,356,432	7,287,326	TOTAL	7,014,020	1,500,176	1,909,791	21%	6,371,860	(642,160)

EXECUTIVE MANAGEMENT

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	EXECUTIVE MANAGEMENT	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
203,822	1,049,622	Corporate Services	1,032,520	352,109	409,647	34%	1,008,520	(24,000)
58,563	297,803	Relationship & Business Development	389,150	80,047	100,524	21%	379,150	(10,000)
(9,927)	(11,891)	Hospitality Development	(45,060)	15,839	(31,169)	-35%	59,100	104,160
0	0	External Funding	0	(449,337)	0		(700,000)	(700,000)
(1,144,228)	(4,945,950)	Management Fee	(4,727,090)	(1,162,892)	(1,184,635)	25%	(4,727,090)	0
(32,350)	(41,350)	Trs From Reserves	0	0	0		0	0
(924,120)	(3,651,765)	TOTAL OBJECTIVE ANALYSIS	(3,350,480)	(1,164,234)	(705,633)	35%	(3,980,320)	(629,840)
(66,309)	(278,186)	Income From Charitable Activities	(349,540)	(535)	(99,412)	0%	(95,160)	254,380
(1,144,228)	(4,945,950)	Management Fee	(4,727,090)	(1,162,892)	(1,184,635)	25%	(4,727,090)	0
0	0	External funding	0	(449,337)	0		(700,000)	(700,000)
(1,210,537)	(5,224,136)	TOTAL INCOME	(5,076,630)	(1,612,763)	(1,284,047)	32%	(5,522,250)	(445,620)
191,511	1,007,848	Employee Costs	1,174,190	408,034	299,611	35%	1,098,190	(76,000)
213	2,513	Transport Costs	0	0	0		0	0
13,198	12,127	Premises Costs	6,500	0	1,629	0%	6,500	0
105,610	368,817	Supplies & Services	512,430	34,656	271,664	7%	404,210	(108,220)
0	0	Financing Costs	0	0	0		0	0
0	187,400	Support Costs	0	0	0		0	0
8,236	35,016	Governance Costs	33,030	5,839	5,510	18%	33,030	0
318,767	1,613,721	TOTAL RESOURCES EXPENDED	1,726,150	448,529	578,414	26%	1,541,930	(184,220)
(891,770)	(3,610,415)	NET POSITION	(3,350,480)	(1,164,234)	(705,633)	35%	(3,980,320)	(629,840)
(32,350)	(41,350)	Trs From Reserves	0	0	0		0	0
(924,120)	(3,651,765)	TOTAL (after transfer from reserves)	(3,350,480)	(1,164,234)	(705,633)	35%	(3,980,320)	(629,840)

Comments

Executive Management encompasses Trust Board, Chief Officer and Corporate Services. Corporate Services has responsibility for the following areas: Relationship and Business Development, Finance and Business Development, Business Support and Hospitality. The Hospitality Service operates across all operational services.

Corporate Services

Favourable variance relates to a fulltime vacancy which will not be filled in the current financial year.

Relationship & Business Development

Savings from reduced service provision during facilities closures.

Hospitality

Reduction in Hospitality Income due to closure of venues and postponement of events offset by savings from reduced hospitality provision during facilities closures.

CULTURAL DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	CULTURAL DEVELOPMENT	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
21,205	97,030	Cultural Development	270,670	97,745	70,070	36%	267,890	(2,780)
33,369	148,948	Collection Care	105,090	45,741	29,212	44%	104,390	(700)
34,103	182,046	Visual Arts Development	52,750	6,672	12,868	13%	52,750	0
33,215	130,205	Museums Development	105,600	21,606	24,416	20%	105,980	380
226,455	1,062,952	Libraries	917,230	232,267	261,079	25%	907,240	(9,990)
0	(3,620)	Trs From Reserves	0	0	0		0	0
348,346	1,617,561	TOTAL OBJECTIVE ANALYSIS	1,451,340	404,030	397,645	28%	1,438,250	(13,090)
(19,107)	(120,397)	Income From Charitable Activities	(100,050)	(9,361)	(26,379)	9%	(51,570)	48,480
(19,107)	(120,397)	TOTAL INCOME	(100,050)	(9,361)	(26,379)	9%	(51,570)	48,480
244,083	1,312,710	Employee Costs	1,136,070	343,569	293,455	30%	1,102,070	(34,000)
1,617	12,170	Transport Costs	12,590	676	3,159	5%	11,300	(1,290)
22,014	160,218	Premises Costs	138,630	16,043	25,991	12%	138,630	0
96,298	236,239	Supplies & Services	243,610	53,104	97,296	22%	217,330	(26,280)
0	7,449	Financing Costs	4,000	0	0	0%	4,000	0
0	0	Support Costs	0	0	0		0	0
3,441	12,792	Governance Costs	16,490	0	4,123	0%	16,490	0
367,453	1,741,578	TOTAL RESOURCES EXPENDED	1,551,390	413,391	424,024	27%	1,489,820	(61,570)
348,346	1,621,181	NET POSITION	1,451,340	404,030	397,645	28%	1,438,250	(13,090)
	(3,620)	Trs From Reserves						0
348,346	1,617,561	TOTAL (after transfer from reserves)	1,451,340	404,030	397,645	28%	1,438,250	(13,090)

Comments

Cultural Development has responsibility for the operation of museums, EAC collections, statutory library provision and the creative programming across all venues with a particular focus on museums, libraries, visual arts and exhibitions. The team is made up of key service areas: Collection Care Development, Visual Arts Development, Museums Development, Libraries Operations and Libraries Programmes.

Cultural Development - Overall

£34k has been projected in anticipated savings from vacancies not being filled during closure of venues in addition to a further £27.5k projected as savings as a result of anticipated reduced spend due to uncertainty in respect of library events and cultural exhibitions and a reduced programme for 2020/21. These savings have been offset by a £48.4k income shortfall due to closure of venues, the uncertainty in respect of future library events and cultural exhibitions and introduction of “cashless” processes across venues.

COMMUNITY & PERFORMING ARTS DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	COMMUNITY & PERFORMING ARTS DEVELOPMENT	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
42,018	155,503	Performing Arts Development	215,440	50,282	106,139	23%	270,460	55,020
47,923	400,066	Community Development	231,090	66,156	41,857	29%	368,280	137,190
(26,827)	(73,029)	Community Lettings & Co-Managed Centres - Lets	(35,560)	989	(7,462)	-3%	(14,400)	21,160
0	0	Trs From Reserves	0	0	0		0	0
63,115	482,540	TOTAL OBJECTIVE ANALYSIS	410,970	117,427	140,534	29%	624,340	213,370
(115,942)	(718,239)	Income From Charitable Activities	(628,240)	(4,286)	(100,318)	1%	(108,670)	519,570
(115,942)	(718,239)	TOTAL INCOME	(628,240)	(4,286)	(100,318)	1%	(108,670)	519,570
131,182	626,672	Employee Costs	512,870	103,937	129,945	20%	465,870	(47,000)
0	0	Transport Costs	0	0	0		0	0
20,274	246,116	Premises Costs	207,030	12,890	33,449	6%	202,140	(4,890)
25,901	283,457	Supplies & Services	272,810	4,886	65,832	2%	52,010	(220,800)
0	0	Financing Costs	0	0	0		0	0
0	0	Support Costs	0	0	0		0	0
1,699	44,534	Governance Costs	46,500	0	11,626	0%	12,990	(33,510)
179,057	1,200,778	TOTAL RESOURCES EXPENDED	1,039,210	121,713	240,852	12%	733,010	(306,200)
63,115	482,540	NET POSITION	410,970	117,427	140,534	29%	624,340	213,370
		Trs From Reserves	0	0	0		0	0
63,115	482,540	TOTAL (after transfer from reserves)	410,970	117,427	140,534	29%	624,340	213,370

Comments

Community & Performing Arts Development has responsibility for Cumnock Town Hall, the Palace Theatre and Grand Hall and Community Venues across East Ayrshire and works with a range of local, regional, national providers and commercial companies to deliver high profile events and opportunities through our full range of venues with both a local and regional focus. The team is made up of 2 key service areas: Performing Arts Development and Community Development.

Income

£519.5k has been projected as an income shortfall due to closure of venues and postponement of events, particularly the 2020 Panto. 50% income shortfall has been assumed on community lettings and 20-75% income shortfall assumed for community halls, Drongan All Weather Pitch and Whatriggs Primary School.

Expenditure

These shortfalls have been partially offset by £47k in anticipated savings from vacancies not being filled during closure of venues and £259.2k projected in savings across the rest of expenditure. The latter will predominantly arise due to a reduction in contracted payments to Imagine Theatre and a potential reduction in irrecoverable VAT due to cancellation of the 2020 Panto.

LEISURE DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	LEISURE DEVELOPMENT	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
51,849	297,796	Leisure Development	166,090	42,780	40,980	26%	181,830	15,740
79,523	463,637	Countryside & Visitors Development	451,100	80,073	112,029	18%	443,920	(7,180)
664	33,113	Green Infrastructure Development	40,840	8,367	10,513	20%	40,840	0
0	0	Volunteer Development	0	0	0		7,000	7,000
0	(3,630)	Trs From Reserves	0	0	0		0	0
132,036	790,916	TOTAL OBJECTIVE ANALYSIS	658,030	131,219	163,522	20%	673,590	15,560
(33,058)	(98,230)	Income From Charitable Activities	(66,840)	(6,175)	(16,710)	9%	(33,280)	33,560
(33,058)	(98,230)	TOTAL INCOME	(66,840)	(6,175)	(16,710)	9%	(33,280)	33,560
124,374	661,381	Employee Costs	562,980	129,487	150,996	23%	550,980	(12,000)
2,689	19,078	Transport Costs	14,530	3,211	3,633	22%	14,530	0
3,940	94,749	Premises Costs	81,790	665	12,903	1%	81,790	0
30,824	98,180	Supplies & Services	48,670	4,031	8,474	8%	42,670	(6,000)
0	4,106	Financing Costs	0	0	0		0	0
0	0	Support Costs	0	0	0		0	0
3,267	15,282	Governance Costs	16,900	0	4,226	0%	16,900	0
165,094	892,776	TOTAL RESOURCES EXPENDED	724,870	137,394	180,232	19%	706,870	(18,000)
132,036	794,546	NET POSITION	658,030	131,219	163,522	20%	673,590	15,560
	(3,630)	Trs From Reserves						0
132,036	790,916	TOTAL (after transfer from reserves)	658,030	131,219	163,522	20%	673,590	15,560

Comments

Leisure Development has responsibility over more passive recreation and outdoor pursuits that introduce people to physical activity. The team includes the following services: Countryside & Visitor Development, Green Infrastructure and Volunteer Development.

Leisure Development - Overall

£33.5k has been projected as an income shortfall due to closure of the residential centre and park in addition to postponement of events. This has been partially offset by £12k in anticipated savings from vacancies not being filled during closure of venues and reigning in expenditure budgets by £6k for the year.

SPORTS DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	SPORTS DEVELOPMENT	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
57,787	313,370	Sports Development Team	261,660	69,406	66,810	27%	261,660	0
1,140	130,081	Community Sports Area 1	55,280	104,184	8,692	188%	385,190	329,910
23,382	352,736	Community Sports Area 2	309,120	115,859	23,261	37%	596,300	287,180
8,651	44,608	Temporary Facilities	990	925	990	93%	990	0
(5,615)	37,843	Football Venues	23,730	369	2,444	2%	26,900	3,170
0	(20,160)	Trs From Reserves	0	0	0		0	0
85,345	858,477	TOTAL OBJECTIVE ANALYSIS	650,780	290,744	102,197	45%	1,271,040	620,260
(240,715)	(959,835)	Income From Charitable Activities	(1,142,260)	(53,437)	(337,359)	5%	(462,200)	680,060
(240,715)	(959,835)	TOTAL INCOME	(1,142,260)	(53,437)	(337,359)	5%	(462,200)	680,060
291,220	1,550,215	Employee Costs	1,512,760	323,743	385,187	21%	1,452,960	(59,800)
739	4,992	Transport Costs	3,880	734	971	19%	3,880	0
6,889	159,363	Premises Costs	154,350	9,800	22,701	6%	154,350	0
24,565	97,104	Supplies & Services	110,420	9,904	27,789	9%	110,420	0
0	15,632	Financing Costs	0	0	0		0	0
0	0	Support Costs	0	0	0		0	0
2,648	11,166	Governance Costs	11,630	0	2,908	0%	11,630	0
326,061	1,838,472	TOTAL RESOURCES EXPENDED	1,793,040	344,181	439,556	19%	1,733,240	(59,800)
85,345	878,637	NET POSITION	650,780	290,744	102,197	45%	1,271,040	620,260
	(20,160)	Trs From Reserves	0	0	0		0	0
85,345	858,477	TOTAL (after transfer from reserves)	650,780	290,744	102,197	45%	1,271,040	620,260

Comments

Sports Development has responsibility for programming activities within our community leisure centres and promotion of sports including badminton, football, gymnastics and swimming, as well as working with key local partners. The team manages our gyms and fitness programme and will work with EA Vibrant Communities in encouraging physical activity. The team has key service areas: Sport Operations, Community Sport Development, Fitness Development and Activity and Coaching Development.

Income

£680k has been projected as an income shortfall due to closure of venues, along with the freeze on monthly Learn to Swim and Fitness Membership direct debits until reactivation of fitness and aquatic services. These figures are based on the assumption facilities and pitches will open again from 1st September and pools from the 1st October. The leisure industry has indicated a 25-30% cancellation rate of Fitness members due to COVID-19 and the service has already lost approximately 20% of memberships during the closure of facilities. The service is currently considering its Pricing Strategy to support all customers in reactivation of our services.

£54.5k of the income shortfall relates to Annanhill Golf Course which reopened on 1 June 2020. The following income shortfalls have been assumed after deducting income taken between April - August 2019 from current year targets in addition to deducting any shortfall from prior year outturn:

- 10-20% income shortfall in fitness classes
- 20% income shortfall across meeting room, indoor/outdoor facility hire, SGP and swimming pool hire
- 20-30% income shortfall in supervised childrens activities
- 30% income shortfall in public swimming
- 25% income shortfall across membership direct debits and PAYG Gym
- 60% income shortfall in funtastic parties
- 65% shortfall in swimming lessons

Expenditure

These income shortfalls have been partially offset by £59.8k in anticipated savings from vacancies not being filled during closure of venues. Due to the restrictions of Covid-19, reactivation may require extra resources therefore the service is projecting to budget for the remaining expenditure budgets.

PROPERTY & ESTATES DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. To 30/6/19	Actual Out-turn to 31/03/20	PROPERTY & ESTATES DEVELOPMENT	Annual Estimate 2020/21	Revised Actual Exp. To 30/6/20	Revised Budget To 30/6/20	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/21	Variance (Favourable) / Adverse
0	0	Property & Estates Development	179,360	34,968	46,713	19%	166,990	(12,370)
0	0	Trs From Reserves	0	0	0		0	0
0	0	TOTAL OBJECTIVE ANALYSIS	179,360	34,968	46,713	19%	166,990	(12,370)
0	0	Income From Charitable Activities	0	0	0		0	0
0	0	TOTAL INCOME	0	0	0		0	0
0	0	Employee Costs	176,610	34,968	45,996	20%	164,240	(12,370)
0	0	Transport Costs	2,750	0	717	0%	2,750	0
0	0	Premises Costs	0	0	0		0	0
0	0	Supplies & Services	0	0	0		0	0
0	0	Financing Costs	0	0	0		0	0
0	0	Support Costs	0	0	0		0	0
0	0	Governance Costs	0	0	0		0	0
0	0	TOTAL RESOURCES EXPENDED	179,360	34,968	46,713	19%	166,990	(12,370)
0	0	NET POSITION	179,360	34,968	46,713	19%	166,990	(12,370)
		Trs From Reserves	0	0	0		0	0
0	0	TOTAL (after transfer from reserves)	179,360	34,968	46,713	19%	166,990	(12,370)

Comments

Property & Estates Development is a new service area for 2020/21 created as part of the management review and has responsibility for co-ordinating the management, maintenance, health and safety and development of the facilities within East Ayrshire Leisure's remit. Maintaining and developing high quality facilities is paramount for the growth of our business. The team includes facility and estate management and sustainable development and will lead on our environmental responsibilities through the implementation of our annual Climate Change Declaration. The creation of this dedicated team has released managers from various premise management responsibilities to allow them to focus on the development of the programmes and services to our customers.

Expenditure

£12.3k has been projected against employee costs as savings due to a vacancy within the Service which has now been filled.

RESERVES AS AT 30 JUNE 2020

TABLE A – Summary

TABLE B – Unusable Reserves

TABLE C – Allocated Reserves Analysis

TABLE A – Summary

UNRESTRICTED RESERVES	2019/20 b/f	2019/20 DEFICIT	BALANCE 31 March 2020	APPROVED ALLOCATIONS	REVISED BALANCE	PROPOSED DRAWDOWN	Q1	Q2	Q3	Q4	BALANCE	NOTES
FIXED ASSET RESERVE	34,920		34,920		34,920						34,920	
RETAINED RESERVES	140,000		140,000		140,000						140,000	
UNUSABLE RESERVES (DEPRECIATION RESERVES)	9,140		9,140		9,140		0	0	0	0	9,140	see Table B
MGTR FUNDS	18,233		18,233		18,233		(21,437)				39,670	
ALLOCATED RESERVES	10,470		10,470		10,470		0	0	0	0	10,470	see Table C
UNALLOCATED RESERVES	97,731	(97,731)	0		0						0	
HOLIDAY PAY PROVISION	(92,180)	31,306	(60,874)		-60,874						(60,874)	
TOTAL UNRESTRICTED RESERVES	218,314	(66,425)	151,889	0	151,889	0	-21,437	0	0	0	173,326	
RESTRICTED RESERVES			63,251				5,738				57,513	
PENSION RESERVE			(1,625,000)								(1,625,000)	
TOTAL RESERVES			(1,409,860)								(1,394,161)	

TABLE B – Unusable Reserves

UNUSABLE RESERVES	2019/20 b/f	2019/20 DEFICIT	BALANCE 31 March 2020	APPROVED ALLOCATIONS	REVISED BALANCE	PROPOSED DRAWDOWN	Q1	Q2	Q3	Q4	BALANCE	APPROVAL	STATUS	NOTES
Annanhill Golf Course - Staff Welfare Facilities	7,420		7,420		7,420						7,420	19 August 2014 Board	Ongoing	Installation now complete. Depreciation 5 years from 2016/17 to 2020/21
Homewords Van	1,720		1,720		1,720						1,720	7 June 2016 Board	Ongoing	Homewords Van delivered - amount to be drawn down at year end for depreciation. Depreciation 5 years from 2016/17 to 2020/21
TOTAL UNUSABLE RESERVES	9,140	0	9,140		9,140		0	0	0	0	9,140			

TABLE C – Allocated Reserves Analysis

ALLOCATED RESERVES	2019/20 b/f	2019/20 DEFICIT	BALANCE 31 March 2020	APPROVED ALLOCATIONS	REVISED BALANCE	Q1	Q2	Q3	Q4	BALANCE	APPROVAL	STATUS	NOTES
Website Development	470		470		470					470	19 Sept 2017 Board	Ongoing	Redesignate £25k from Marketing Co-ordinator (Sport) to Website Development - launched Aug 2019. Balance allocated to Intranet Development
Dower House Upgrades	10,000		10,000		10,000					10,000	4 June 2019 Board	Ongoing	
TOTAL ALLOCATED RESERVES	10,470	0	10,470	0	10,470	0	0	0	0	10,470			

GENERAL PROJECTS

General Projects are multi-annual projects involving funding from external partners. These projects are not included in the Financial Monitoring reports.

Project	Partners	Balance b/f 01.04.20	Balance at 30.06.20	Expected Completion Date
Ayrshire Libraries Forum	North Ayrshire Council/South Ayrshire Council/East Ayrshire Council	(£4,132)	(£4,117)	Ongoing
Burns Birthday in Mauchline	Event Scotland	(£861)	(£861)	Mar 2020
Kilmarnock Green Infrastructure	Sustrans	(£14,955)	(£14,955)	Ongoing
Museums Database	Museum Gallery Scotland	(£9,450)	(£9,450)	Sep 2020
Digital Storyteller in Residence	Scottish Book Trust	(£2,416)	(£2,416)	Ongoing
Nature Therapy Breaks	Shared Care Scotland	(£4,889)	£0	Mar 2020
Natural Leaders	Scottish National Heritage	(£7,175)	(£7,175)	Mar 2021
Irvine Valley Trails 2019 onwards	LCTT, Transport Scotland, EAC Renewable Energy Fund	(£27,973)	(£27,973)	Jun 2020
Logan Centre (Ringfenced)	Three Village Centre (Limited Company & Charity)	(£7,356)	(£7,356)	Ongoing
Rose Reilly Renaming	EAC	£15,588	£16,422	Ongoing
SHOUT	EAC	(£5,000)	(£5,000)	Mar 2021
Johnnie Walker Display	EAC	£5,369	£5,369	Ongoing

Ayrshire Libraries Forum is a network partnership of the three Ayrshire councils, Ayrshire NHS, school, prison and higher education libraries to be used towards the upkeep of Ayrshire Working Lives website.

Burns Birthday in Mauchline – The project is now in its fifth year and will take place on Saturday 25th January from 12noon until 4pm at Burns House Museum, Mauchline Parish Church Halls and Mauchline Kirkyard. The family event which is funded by EventScotland is free and includes lots of Burns related activity including visual art, puppet making, Kirkyard tours with our partners Mauchline Burns Club, curator talks and a very special performance by pupils of Mauchline Primary School.

Kilmarnock Green Infrastructure - The design and feasibility work has been completed for the Kilmarnock Green Infrastructure Project. £300k has been secured from Sustrans for further design work for a multi-million pound application later in the year. A Project Board, chaired by East Ayrshire Leisure, has been established to oversee the development and implementation of this 18 mile cycle route project for Kilmarnock made up of officers from East Ayrshire Leisure, East Ayrshire Council and Ayrshire Roads Alliance.

Museums Database - East Ayrshire Leisure cares for approximately 250,000 objects within the museums it manages on behalf of East Ayrshire Council. Currently these collections are documented on a mixture of ageing and basic database systems. As we progress through the actions outlined within our Accreditation plan, including a full, basic inventory of all collections, plus our work with our Recognised collections, it is clear that we require a modern, future-proof database for use across the museum service, with opportunities for working with external partners in a more co-ordinated and efficient way. The total project cost is £21,600, of which Museums Galleries Scotland has awarded 75% of project costs.

Digital Storyteller in Residence - The project which was funded by the Scottish Book Trust has now come to an end. The initiative worked with people facing social isolation for whatever reason, to encourage participation in and the use of digital platforms to tell their own personal story. The Arts, Libraries and Museums Development team led the project with partners in Kilmarnock Station Railway Heritage Trust (KRSHT) and Vibrant Communities. The project was externally recognised by being shortlisted for Community Project of the Year at the Herald Society Awards. There is a surplus balance which Scottish Book Trust have said we can use towards further Digital Storytelling activities. We are currently paying for further training for KRSHT from the fund, and have invested in suitable transit cases to keep the kit safe when loaned out to our partners.

Nature Therapy Breaks - Funding has been secured from Shared Care Scotland to offer free residential respite experiences for young people who have care responsibilities for family members. 2 weekend sessions will be offered to 20 young people identified in partnership with East Ayrshire Carers.

The Natural Leaders project is well underway with work beginning on key open spaces with Auchinleck, Doon and Kilmarnock Academy. This project aims to develop Local Nature Reserves which can be used by the community and as an outdoor learning resource.

Irvine Valley Trails - The Renewable Energy Fund has agreed that the shortfall in spend in the development stage grant can be reallocated to the Trails capital grant of £213,964. The Irvine Valley Trails project also received funding from the Low Carbon Travel and Transport Fund and Transport Scotland to implement a series of routes throughout the Irvine Valley that support active travel. All funding is in place for this project and implementation started Autumn 2019.

Logan Centre (Ringfenced) – Funding allocated to EA Leisure for future disbursement to Logan area.

Rose Reilly Renaming – This project was scheduled to be completed for Saturday 21st March with Rose Reilly attending an official launch, offering free sports activities for the local community. It has now been postponed however, the preparatory building work is well underway including the completion of the external building cleaning and signage. It is anticipated work on the internal signage and new external lighting will recommence once Covid-19 restrictions are lifted and an alternative launch date will be facilitated.

SHOUT - £5000 Funding from East Ayrshire Council has been issued to offer FREE swimming to SHOUT card holders during the school holiday periods throughout the year.

Johnnie Walker Display – East Ayrshire Council is in partnership with Diageo to run a yearlong programme of activity in 2020, celebrating 200 years of Johnnie Walker Whisky. The partnership is supported with an investment of £110,000 from Diageo, part of which is attributed to the Dick Institute Johnnie Walker display. To mark the beginning of the bicentenary celebrations, Diageo were keen to work with East Ayrshire Leisure to develop a new display of never before seen collection items. East Ayrshire Leisure led the display development in partnership with the Johnnie Walker Archive which required three new museum standard environmentally controlled cases, two flat screen televisions, display cradles and three new interpretation banners with bespoke hanging systems. East Ayrshire Leisure delivered the display by 19th February and the year of celebrations launched with an event which welcomed around 60 people.



EXTERNAL FUNDING (APRIL – JUNE 2020)



EXTERNAL FUNDING APPROVED APPLICATIONS

(*denotes funding not available to East Ayrshire Council)

Section	Name of Funding Provider and Project	Value of Funding/Support	Received in 2020/21
East Ayrshire Leisure	Corra Foundation - Wellbeing Fund	£77,265	£77,265
East Ayrshire Leisure	Small Business Grant - Hospitality/Leisure	£25,000	£25,000
East Ayrshire Leisure	SCVO Digital - Connecting Scotland	£9,880	£9,880
East Ayrshire Leisure	Coronavirus Job Retention Scheme - see Note I	£597,071	£347,071
TOTAL		£709,216	£459,216

Note I

East Ayrshire Leisure registered for Coronavirus Job Retention Scheme (CJRS) and has currently received grant of £347,071.54. The scheme is currently scheduled to continue until October 2020 and it is anticipated that a further £250,000 could be received. Grant received is dependant on the number of staff on furlough which is reducing as services are reactivated. (These figures are included in the projected position for the Trust.)



RISK REGISTER



Risk Register

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
1	There will be a 20% reduction in funding received from East Ayrshire Council, resulting in a reduction in service provision and a requirement to generate more income from services.	Chief Officer	4	4	16 RISK APPETITE: CAUTIOUS (Compliance)	HIGH	<ul style="list-style-type: none"> • Communication with East Ayrshire Council allowing forward planning to ensure that service provision meets the requirements of the main funding provider. • Best Value Review Implementation • PR; communications with staff and customers
2	There is a risk of not being able to maintain high quality services because of a lack of funding, resulting in a failure to invest, loss of staff, a reduction in staff commitment and damage to East Ayrshire Leisure's reputation.	Executive Managers & Development Managers	4	3	12 RISK APPETITE: OPEN (Reputation)	MEDIUM	<ul style="list-style-type: none"> • Business Planning • Positive Public Relations • Equipment Replacement Policy • Continued dialogue with Council • Employee Recognition Scheme • Review of B.E.S.T. practise - ongoing training and development of staff
3	There is a risk partners and external stakeholders do not see East Ayrshire Leisure as a partner of choice because of a lack of resources invested in partnership activity, resulting in a failure to deliver Business Plan	Executive Managers & Development Managers	3	3	9 RISK APPETITE: OPEN (Reputation)	LOW	<ul style="list-style-type: none"> • Service reviews • Positive Public Relations • Service Level Agreements/Contracts

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
	targets and the loss of external funding.						
4	There is a risk that buildings are not at the standard required or operating efficiently in terms of environmental sustainability due to a lack of capital investment or maintenance, resulting in a reduction in facilities, loss of income, the inability to market services, inability to respond to impacts of climate change or weather and the loss of services.	Executive Managers & Development Managers	3	4	12 RISK APPETITE: OPEN (Operation)	MEDIUM	<ul style="list-style-type: none"> • Regular communication with the Council • Business Continuity Plan • Regular Workplace inspections and reviews • Fire Risk Assessments • Established repairs reporting system • Proposed Asset Management Plan (EAC) • Capital Improvement Plan • Environmental Management, Monitoring and reporting
5	There is a risk that East Ayrshire Leisure does not take commercial opportunities because staff are not able to identify and take these opportunities, resulting in lost revenue streams, perceptions of poor service and the failure to be	Executive Managers & Development Managers	4	3	12 RISK APPETITE: OPEN (Financial)	MEDIUM	<ul style="list-style-type: none"> • Attendance at Events • Recruitment and Selection procedure • Review of Best Practise • Training and development programme

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
	aligned with market demands.						
6	There is a risk that East Ayrshire Leisure does not have the right people with the right skills in the right places because of the failure to adapt/train existing staff, not recruiting the right people and not motivating its workforce. This would result in poor services, lack of customer engagement, failure to cross-sell and a loss of income.	Executive Managers & Development Managers	3	2	6	LOW	<ul style="list-style-type: none"> • Training and development • Ongoing review of Training matrices • Induction Process • Review of B.E.S.T. Practise • Recruitment and selection procedure • Effective communication with staff
7	There is a risk that East Ayrshire Leisure will not comply with legislation standards and fail to meet the requirements of Health & Safety, GDPR, OSCR, VAT etc.	Executive Managers & Development Managers	2	4	8	MEDIUM	<ul style="list-style-type: none"> • Partnerships Working Groups • Service Level Agreement • Support from East Ayrshire Council

Risk Register - COVID 19

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
8	There is a threat to the viability of current Business Operations arising from Business closure 18 March 20 resulting in reduction in service provision and the inability to fully deliver Strategic Delivery Plan. – Open Risk	Executive Management and Development Managers	5	3	15	MEDIUM	<ul style="list-style-type: none"> Consider and review the implications of COVID-19 inc social distancing measures Review actions within the Strategic Delivery Plan Continue to deliver and develop alternative services online Social media and website presence Customer e-newsletters Working from home policy
9	There is a risk to the organisation's management due to the high dependency on the 2 members of Executive Management Team and Development Management team. - Open Risk	Chief Officer	3	3	9	LOW	<ul style="list-style-type: none"> Business Continuity Plan Weekly DMT Business Meetings Stress Management training Monitoring workloads through 1-1 meetings
10	There is a threat to the financial stability of the organisation resulting from loss of income. Ongoing closure could have an impact on the management fee received from East Ayrshire Council. - Open Risk	Executive Management and Development Managers	5	4	20	HIGH	<ul style="list-style-type: none"> Continued dialogue with East Ayrshire Council in relation to the management fee Consider financial support available to the organisation as a result of the coronavirus Claim employees wages through Job Retention Schedule Monitor cashflow and reduce expenditure where possible Continued support & guidance given by Community Leisure UK Move to more online services and sales Maximise additional income streams

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
11	Reduction in workforce from COVID 19 resulting in loss of key staff and skills. Potential reduction in availability of all staff to resume roles resulting in inability to deliver all services with potential loss of income. - Open Risk	Executive Management and Development Managers	4	3	12	MEDIUM	<ul style="list-style-type: none"> Alternative service provision – transformation Training & Development Programme Recruitment & Selection procedure Working from home policy
12	There is a risk to our reputation if we do not adhere to government guidance in an appropriate timely manner to ensure both staff and customers are in safe and controlled environment. - Open Risk	Executive Management and Development Managers	2	4	8	LOW	<ul style="list-style-type: none"> Follow and monitor Local, Scottish and National Government guidance Consider and review the implications of COVID-19 on the operation of our business Support from East Ayrshire Council Effective communication with staff and customers
13	There is a risk that East Ayrshire Leisure staff morale could be at an all time low due to the impact of COVID 19. (financial, bereavement, domestic circumstances, furlough etc) - Open Risk	Executive Management and Development Managers	3	4	16	MEDIUM	<ul style="list-style-type: none"> Regular communication with staff Access to support services eg counselling services Staff trained in mental health practices Staff engagement programme Access to EAC Wellbeing Programme Staff Recognition Scheme
14	There is a risk that East Ayrshire Leisure will not be in a position to attract existing customers back to our facilities	Executive Management and	3	4	12	MEDIUM	<ul style="list-style-type: none"> Review of service provision – transformation Customer engagement programme Customer e-newsletters

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
	due to financial constraints, alternative opportunities being available and loss of confidence. - Open Risk	Development Managers					
15	There is a risk that East Ayrshire Leisure's business continuity if key decisions cannot be made due to the inability to hold Trustee board and performance and audit meetings. – Cautious Risk	Chief Officer	3	5	15	MEDIUM	<ul style="list-style-type: none"> • Regular liaison with Chair and Vice Chair • Regular Trustee updates • Review of agenda items • Establishment of video conferencing
16	There is a risk that building and/or equipment maintenance and repairs cannot be carried out either due to lack of staff or companies no longer operating, resulting in non-service provision or loss/damage to our facilities. - Open Risk	Executive Management and Development Managers	3	4	12	MEDIUM	<ul style="list-style-type: none"> • Regular communication with EAC • Business Continuity Plan • Alternative service delivery
17	There is a risk that capital projects cannot proceed which will impact on planned and unplanned opportunity to upgrade existing facilities. - Open Risk	Executive Management and Development Managers	2	3	6	LOW	<ul style="list-style-type: none"> • Regular communication with EAC and other partners • Work in partnership to resolve issues and minimise impact • Effective communication with staff and customers

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
18	There is a risk that external funding may be withdrawn or have to be repaid due to projects no longer being viable or East Ayrshire Leisure being unable to fulfil requirements to meet funding obligations. - <u>Open Risk</u>	Executive Management and Development Managers	2	3	6	LOW	<ul style="list-style-type: none"> • Regular communication with funders and partners • Work in partnership to resolve issues and minimise impact eg extend funding, consider alternative delivery option • Effective communication with customers

Risk Register

Risk Area 1

This risk was viewed as a compliant risk as East Ayrshire Leisure has to operate within the financial parameters that on the whole are decided by the Council. It has been well documented that East Ayrshire Leisure will have a reduction in funding from East Ayrshire Council and this will have a significant impact on the current venues we currently manage.

Risk Area 2

This risk was viewed as an operational risk a reduction in available finance's and continued savings may impact on the quality of services the Trust provides.

Risk Area 3

This risk was viewed as reputational; however the likelihood of it having a severe impact on the relationship we have with our partners is considered low as we have strong links with them and are able to adapt and negotiate change.

Risk Area 4

This area is viewed as operational risk as an inability to maintain buildings can have a significant effect on the provision of service. This has occurred in a few cases for example, St Josephs SGP and the problem with loose tiles in our swimming pools.

Risk Area 5

This area was viewed as a financial risk, but the Trust will take opportunities to increase income as opportunities arise.

Risk Area 6

This area is viewed as an operational risk and the impact of this is low as the Trust has systems in place to ensure the ongoing demands of employees can be met.

Risk Area 7

This was viewed as a compliance risk as the Trust must adhere to statutory requirements. The Trust has many controls in place and the likelihood of a failure is low, however, the repercussions could have a significant impact.

2019/20 ANNUAL REPORT AND ACCOUNTS

Date: 1 September 2020

Agenda Item: 5

Report By: Anneke Freel, Chief Officer

Summary

This report presents the 2019/20 Report and Accounts for approval.

The report shows that the Trust established sound procedures for financial management and our external auditors, Scott-Moncrieff, are satisfied with accuracy of our accounts and the procedures that are in place to manage our finances.

1 BACKGROUND

1.1 The purpose of this report is to present the 2019/20 Report and Accounts for approval.

2 CONSIDERATIONS

2.1 East Ayrshire Leisure is required to submit its audited annual accounts to the Office of the Scottish Charity Regulator (OSCR). Scott-Moncrieff are our External Auditors and their audit has been produced following an intensive audit programme which required support and input from both Trust and East Ayrshire Council staff.

2.2 The 2019/20 Report and Accounts is attached as Appendix 1. The format of the Report and Accounts meets the requirements of the Charities Financial Reporting Standard (FRS) 102 Statement of Recommended Practice (SORP). The Annual Accounts will be submitted to OSCR once approved by the Trust Board. The report will also be published via the East Ayrshire Leisure website.

2.3 Scott Moncrieff's Audit Management Report for 2019/20 is attached as Appendix 2 with the Management Representation Letter, which will be signed by the Chair if the Report and Accounts are agreed by the Board, included on page 17.

3 IMPLICATIONS

3.1 The approval and publication of the 2019/20 Report and Accounts will satisfy the ongoing requirements of OSCR and the Charities FRS 102 SORP.

Recommendation/s:

It is recommended that the Board:

- i. Approve the 2019/20 Report and Accounts;
- ii. Approve the Letter of Representation to accompany the accounts; and
- iii. Otherwise note the content of this report.

PERFORMANCE & AUDIT SUB-COMMITTEE



Signature: *Anneke Freed*

Designation: Chief Officer

Date: 19 August 2020

East Ayrshire Leisure Trust
A Scottish Charitable Incorporated Organisation

Annual Report and Accounts
For the year ended 31st March 2020

Charity Number SC043987

East Ayrshire Leisure Trust Contents

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East Ayrshire Leisure Trust

Message from the Board

I am delighted to introduce our Annual Report and Accounts for East Ayrshire Leisure Trust, covering the financial year 2019-20. The Trust has continued to show a strong performance despite the COVID-19 pandemic causing major disruption to our service delivery and financial situation as we headed towards the final quarter of the year.

The Trust has continued to excel in their programme of events, activities and exhibitions held throughout the year, and as always, it has been a difficult task to whittle down my personal highlights!

Our visual arts programme has been exceptional this year; *Karl Blossfeldt: Art Forms in Nature*, from the Southbank Centre, London, presented an original portfolio of 40 photogravures from 1932. The exhibition provided an opportunity to view Blossfeldt's stunning signature close-up images of plants and flora. *The Art of Selling Songs* from the V&A opened at the Dick Institute as the first and only Scottish venue for this amazing exhibition of pop music graphics featuring iconic images such as Jamie Reid's punk collages for the Sex Pistols.

Comic lovers were treated to our COMICS exhibition from Seven Stories at the Dick Institute (again, the only Scottish venue in the tour) which featured an eclectic mix of original, iconic comic art and Killie Comic Con saw *Back to the Future's* DeLorean drive to the front door to welcome hundreds of visitors.

The long awaited redisplay of the South Museum at the Dick Institute opened in February with a special exhibition of Johnnie Walker collection items on loan from the Johnnie Walker Archive, many of which have never been on public display before. The exhibition, marking the 200th anniversary of Johnny Walker, received excellent coverage in the Glasgow Herald and I was delighted to officially open the exhibition in his home town where the story all began.

Our performing arts programme included Eddie Reader, Wet, Wet, Wet, Twin Atlantic, comedian Janey Godley, the world premiere of 'The Red Lion' which received rave reviews and our annual pantomime Cinderella also received 5 star reviews across the board. Our outstanding youth theatre, EAYT, held their Summer school during August with over 30 young people taking part and performing the Fame Jr musical, and their full-scale production of The Addams Family in the Palace Theatre. The Palace and Grand Hall were awarded a Gold Award and Cumnock Town Hall was awarded a Silver Award in the Best Bar None National Awards.

Our sports and fitness programmes have continued to attract major events to the area as well as continuing to provide an excellent programme of activities and classes for our communities. The West District Championships were again held at the Ayrshire Athletics Arena as were the Ability Sports Highland Games, in partnership with East Ayrshire Council's Vibrant Communities. Holiday Athletics Camps and Outdoor Sports Camp were held over the summer period and were extremely popular amongst youngsters. We also welcomed back the Sportshall Athletics at the AAA, East Ayrshire Schools Cross Country Competition and the West of Scotland Cross Country Relay Championships.

Annanhill Golf Course has seen attendance levels increase, with Golf Master Classes and Summer Golf Camps proving to be so popular, additional camps had to be added to meet demand.

The running programme has also grown and Dean Castle Country Park now hosts its own weekly free 5km Park Run, with an average of 150 people taking part on a weekly basis. Our ultra-marathon, the River Ayr Way Challenge had over 100 runners and 20 teams taking part this year and The Cairn Table hill race had its highest number of runners in 10 years.

We welcomed back the spectacular Illuminight, with supermarket giant Lidl as major sponsors. Illuminight at Dean Castle Country Park has quickly established itself as one of Scotland's leading illumination events, welcoming over 120,000 visitors in only three years. The new Space theme took audiences on an intergalactic journey, transforming the picturesque park, woodland trails and water features with incredible installations using state-of-the-art light, sound and projection.

There is no doubt that the forthcoming year will be a challenge to us all with services and programmes being affected by the impact of COVID-19. However, East Ayrshire Leisure Trust are committed to offering the very best in leisure services to our communities and visitors alike and our flexibility, adaptability, resilience and of course our wonderful staff will ensure we continue to provide the very best venues and services possible, whilst operating within Government guidelines and safety measures.

East Ayrshire Leisure Trust
Message from the Board

We very much look forward to welcoming you back to our venues soon.

Councillor Elena Whitham

Chair, East Ayrshire Leisure Trust

East Ayrshire Leisure Trust

Message from the Chief Officer

I am delighted to present East Ayrshire Leisure's Annual Report and Accounts for 2019-20, in my first year in post as Chief Officer. This report summarises our performance during the Trust's seventh year of operation.

I took up the new position in May 2020 determined to build on the inspiring work already achieved in the Trust's initial years, whilst recognising that a new change in strategic direction was required to enable the organisation to develop and grow.

One of the key changes was to develop our engagement processes; both internally and externally and in doing so, improve the overall culture of the organisation. One of our biggest assets has always been our staff, who have a wealth of knowledge, skills, expertise and specialisms within a wide range of areas. To enhance East Ayrshire Leisure, from both a business prospective and as a key employer within the area, it was important that our staff should be fully engaged within our decision making processes and in setting the new direction and vision of the Trust. Our 'Exchange' programme has been expanded to allow more frequent, and better, staff engagement and opportunities to contribute to how we shape the future. Our customer engagement programmes have also been expanded to allow our communities opportunities to have a say in how leisure should be provided throughout East Ayrshire.

Staff Exchange sessions were held to devise our new Vision, Mission and Values, with these new values forming the backbone of the Trust's ethos, influencing how we recruit, train and develop staff.

Following UK and Scottish Government Guidance, all East Ayrshire Leisure venues closed to the public on the 18th March. From this point, an agreement was reached with the joint trade unions where 72% of contracted and 100% of casual employees were put on furlough leave. However, we did not stand still and a number of services continued throughout lockdown with remaining staff pulling together to create new ways of working, taking on new and essential tasks to assist our communities and help in emergency care provision and ensuring East Ayrshire Leisure continued to provide leisure services in new and exciting ways.

I am immensely proud of all our staff and how they have coped with the unprecedented situation that we found ourselves in. I have no doubt they will continue to shine as we move together into our new future in leisure provision.

I would also like to thank all our Trustees for the invaluable contribution they make, and all of our funders, sponsors and supporters, in particular East Ayrshire Council, without whom, none of this would be possible.

Anneke Freel

Chief Officer

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

The Trustees are pleased to present their Annual Report and Accounts for the year ended 31st March 2020. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

East Ayrshire Leisure Trust – The Organisation

East Ayrshire Leisure Trust is a Scottish Charitable Incorporated Organisation recognised by the Office of the Scottish Charity Regulator (OSCR), registration number SC043987. The organisation took responsibility for a wide range of cultural, countryside, sports and community facilities and services across East Ayrshire on 1st July 2013.

Governing Document

The East Ayrshire Leisure Trust Constitution was approved by the Board of Trustees on 13th March 2013.

East Ayrshire Leisure's initial Business Plan covered the period 2013-16, and during this period the Trust became established as an independent organisation. Our following Business Plan covered the period 2016-19 but was extended for an additional year to assist in the transitional period between the Chief Executive retiring and the new Chief Officer assuming post.

Our Vision

Always with a focus on continuous improvement, we will deliver inclusive, sustainable and accessible services to enable our communities and visitors to live their best life.

Our Mission

In order to engage our people, partners and communities we will ensure:

- the creation of real and sustainable partnerships
- that we deliver services which meet the needs of our communities
- that we invest in, and empower our people

Our Values

Being honest and demonstrating integrity at all times

Engaging and inclusive with our people, partners and communities

Striving for continuous improvement by being ambitious and aspirational in all the we do

Taking responsibility and being accountable for our organisation and our service delivery

EAST AYRSHIRE LEISURE SERVICES

East Ayrshire Leisure is responsible for managing a range of facilities and services across a broad Culture, Countryside & Outdoor Activities, Sport & Fitness and Community Venues remit.

The range of facilities managed by East Ayrshire Leisure has been subject to change since July 2013 as the Council has undertaken a programme of Community Asset Transfer and Asset Rationalisation.

Brief Service Descriptions

- Cultural Services

This service manages Libraries, Museums and Heritage, Galleries, the Palace Theatre/Grand Hall Complex and Cumnock Town Hall. The service is responsible for museum collection management, arts and cultural development including visual and performing arts, reader development including Imprint Book Festival and local and family history services.

- Countryside & Outdoor Activities Services

This service manages Dean Castle Country Park, the River Ayr Way and footpath networks across East Ayrshire. The service is responsible for Countryside Access, events, programme development at Dean Castle Country Park outdoor education and golf.

- Sport & Fitness

This service manages Sports and Leisure Centres, Games Hall, Community Halls, Sports Pitches and the Ayrshire Athletics Arena. The service is responsible for programme development, community sports hubs, sports development and events encompassing athletics, swimming and fitness.

- Corporate Services

This service is responsible for administration, OSCR compliance, financial management/budget monitoring, Human Relations, Information Management, Health and Safety, Freedom of information, credit control, cash receipting and staff training and development. The Marketing & Development team within the service manage all publicity and promotional activity, communications, public relations, branding, corporate identity, web development and digital communication and strategy, market research, customer feedback and complaints handling.

Agreements with East Ayrshire Council

A series of agreements underpin East Ayrshire Leisure's relationship with the Council. Services Agreements are in place to cover support services that the Council provides for East Ayrshire Leisure i.e. Health and Safety, Internal Audit, Payroll etc. A Services and Finance Agreement is in place to cover the services which the Council expects us to deliver, including the facilities for which East Ayrshire Leisure is responsible.

In addition, a Collections Agreement covers how the Council's museum collections will be managed by East Ayrshire Leisure and an Asset Transfer Agreement covers the ownership of assets required to support the delivery of services which are the responsibility of East Ayrshire Leisure.

Key venues and visitor attractions

We manage a wide range of facilities across East Ayrshire; our key venues and tourist attractions are highlighted below:

Annanhill Golf Course

Situated on the outskirts of Kilmarnock in scenic surroundings, this parkland course, with tree lined fairways has a par of 71 measuring 5954 yards.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

Ayrshire Athletics Arena (4 star Leisure Facility)

Designed and built to the highest standard, this premier athletics and sports training facility boasts a UK Athletics Class A outdoor athletics facility with Mondo surface and 6 lane 63m indoor training area with strength and conditioning area. It has been designed to meet the highest of training and competition requirements for a wide range of athletes, sports clubs, schools and community groups and our athletics event calendar has grown year on year.

Baird Institute (4 star visitor attraction)

First opened in 1891, the Baird Institute has world class collections of Mauchline Ware, Cumnock Pottery, artefacts of local and social history and contemporary exhibitions. The Keir Hardie Room presents the life and career of the founder of the Labour Party with an interactive audio-visual screen, a large collection of his personal belongings and souvenirs of his travels

Burns House Museum and Library (4 star visitor attraction)

The Burns House Museum and Library is in the centre of historic Mauchline, where stories of Robert Burns and his friends and family can be found in every nook and cranny. The Burns House Museum offers the chance to visit the room where Burns and his wife Jean Armour lived, see original Burns manuscripts and objects that tell the story of his life and work.

Cumnock Town Hall

Designed by Robert Ingram and built in 1883/4, Cumnock Town Hall has undergone extensive restoration, designed to restore it to its former glory using traditional materials and to update facilities to cater for the needs of its 21st century users. The newly refurbished facility hosts a variety of shows as well as being available to hire for meetings, shows, weddings and parties.

Dean Castle & Country Park (4 star visitor attraction)

The newly redeveloped Dean Castle Country Park is East Ayrshire's only Country Park and provides a great day out all year round with woodland walks, an urban farm, adventure playground, visitor centre with shop and tearoom and a fantastic 14th century castle housing world class collections. The Country Park also hosts a number of large scale events every year as well as a programme of outdoor learning activities. The Country Park received HLF funding with major redevelopment taking place to turn it into a 5 star visitor attraction.

Dick Institute (4 star visitor attraction)

The Dick Institute is one of the most important cultural venues in the south-west of Scotland, featuring the largest museum, galleries and Library in Ayrshire with a range of arts and literary events throughout the year. With a programme of nationally important exhibitions, events and innovative works by leading and contemporary artists, filmmakers and young people as well as permanent displays of the museum's diverse collections including natural sciences, archaeology and local and social history.

Leisure Centres: Auchinleck, Doon Valley, Grange, Loudoun, Stewarton and St Joseph's

Our Leisure Centres offer a wide range of activities and facilities for all the family including fitness suites with a wide range of equipment, FIFA *I synthetic grass pitches, swimming pools and a range of fitness classes and activities. Many of our venues also house a variety of versatile halls suitable for staging competitions and larger events as well as badminton, football, netball as well as seated events such as shows, presentations, conferences and events.

Palace Theatre & Grand Hall Complex (4 star arts venue)

Ayrshire's premier entertainment venue offers a wonderfully varied programme throughout the year including comedy, music, drama, dance, variety and much more.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

River Ayr Way

The River Ayr Way is designated as one of Scotland's Great Trails and is included in the family of long to medium distance routes in Scotland. It is 44 miles from the source of the River Ayr in Glenbuck to the sea at Ayr. 22 miles of the route is managed by East Ayrshire Leisure, with the rest being managed by South Ayrshire Council.

EAST AYRSHIRE LEISURE'S STRUCTURE

THE BOARD OF TRUSTEES

A Board of up to 13 Trustees is responsible for providing strategic direction for the organisation. The 13 Trustees comprise:

- 6 Independent Trustees – one of whom is a Trade Union nominee
- 5 Councillor Trustees, nominated by East Ayrshire Council
- 2 Council Officer Trustees nominated by East Ayrshire Council to act as Trustees, but without voting rights.

Trustees	Appointment date	Resignation date
Partner Trustees		
Elena Whitman (Chair)	18 th May 2017 (reappointed 17 th September 2019)	
Neil McGhee	13 th March 2013 (reappointed 18 th May 2017 and 17 th September 2019)	
Ian Grant	18 th May 2017	
Clare Maitland	18 th May 2017	
Iain Linton	25 th June 2015 (resigned 18 th May 2017) and reappointed 2 nd November 2017	
Joe McLachlan (ex officio)	27 th August 2015	
Robert McCulloch (ex officio)	17 th May 2018	
Independent Trustees		
Robin Hume	13 th June 2013 (Re-appointed 27 th August 2015 and 17 th September 2019)	
Jean Brown	13 th June 2013 (reappointed 17 th September 2019)	
June Minnery	13 th June 2013 (Re-appointed 27 th August 2015 and 17 th September 2019)	
Jackie Livingston	1 st July 2015	
Robbie Mann	8 th September 2016 (reappointed 17 th September 2019)	

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

The Board meets regularly throughout the year and is supported by a Performance and Audit Sub-Committee made up of 5 Trustees. In addition, development sessions are also held to support Trustee training and to allow discussion to focus on key issues i.e. Business Planning and specific service areas.

Trustee training is available on an as required basis in addition to induction training for new Trustees. Development sessions to enhance Trustees knowledge of service areas are organised throughout the year.

Management Arrangements

The Chief Officer and Senior Management Team are responsible for the day to day management of East Ayrshire Leisure's operations. A Scheme of Delegation is in place to allow responsibilities for key tasks to be allocated to appropriate staff. Staff salaries and terms of conditions of employment follow those of East Ayrshire Council and this is expected to continue.

SENIOR MANAGEMENT TEAM

Anneke Freel (Chief Officer)

Jackie Biggart (Head of Corporate Services)

Adam Geary (Cultural Services Manager)

in post until 1 April 2020

Chris Murphy (Sport & Fitness Manager)

in post until 1 April 2020

ADMINISTRATIVE INFORMATION

Registered Office

Dick Institute
14 Elmbank Avenue
Kilmarnock
KA1 3BU
www.eastayrshireleisure.com
01563 554710

Auditor

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Solicitors

East Ayrshire Council
London Road Headquarters
Kilmarnock
KA3 7BU

Bankers

Royal Bank of Scotland
8 John Finnie Street
Kilmarnock
KA1 1DD

Charity Number

SC043987

FINANCIAL REVIEW

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

The period to 31st March 2020 was the Trust’s seventh year of activity. In the period, East Ayrshire Leisure reported an unrestricted deficit of £564,168.

At 31st March 2020, the actuarial valuation of the pension scheme resulted in a net pension asset of £9,000 this being recognised in the Balance Sheet. The valuation has resulted in an actuarial gain of £2,097,000 being recognised in the Statement of Financial Activities in the period. The balance on the pension fund will change annually according to economic conditions and the trustees will keep the position under review.

RESERVES POLICY

The Board approved a revised Financial Reserves Policy in February 2020. The policy was amended from a range of 3-5% of incoming resources (approx. £210k - £350k) to a minimum of 2% (approx. £140k) as the target for unrestricted funds not committed. This target has been achieved and the appropriate level of reserves is now in place.

FINANCIAL PROFILE

East Ayrshire Leisure receives funding from East Ayrshire Council to support the delivery of an agreed range of services. Significant savings have been generated since the inception of the Trust and a Best Value Review has confirmed savings required during the term of our new Business Plan for 2019-22.

East Ayrshire Leisure also generates income from charges for services and has the ability to submit bids for funding from a wide range of external bodies. Trust staff will bid for funds to support and develop service quality and delivery wherever appropriate opportunities and resources are available.

The agreed baseline budget for 2020/21 is set out below:

	2020/21
	£
Baseline Budget (excl Savings)	4,822,780
Savings Target (following Best Value Review)	(190,750)
Baseline Budget (after Savings)	4,632,030

RISK MANAGEMENT

East Ayrshire Leisure has well-established Risk Management procedures which allow the Board to manage risk in a pro-active manner and priorities areas of concern. The Risk Register is reviewed regularly as part of the Trustees consideration of the quarterly performance report.

Key risks in 2019-20 included: significant reduction in funding received from East Ayrshire Council, partners and external stakeholders not seeing East Ayrshire Leisure as a partner of choice, failure to deliver Business Plan targets and the loss of external funding, a lack of capital investment or maintenance, reduction in facilities and loss of income. A new Risk Register was devised late March 2020 to address risks associated with the impact of the COVID-19 pandemic.

Managing our risk effectively is essential in achieving our strategic outcomes and targets, creating confidence among service users and the public, and ensuring effective governance. Effective Risk Management will also enable us to deliver service improvements taking account of prevailing circumstances.

PROPERTIES

East Ayrshire Leisure has 25 year leases in place for each of its properties. These properties continue to be in the ownership of East Ayrshire Council and the Council remain responsible for repair and maintenance.

The stock of properties is currently under review and the Council's Asset Rationalisation and Community Asset Transfer programmes, alongside East Ayrshire Leisure's own service review and redesign proposals will see the number of properties managed by East Ayrshire Leisure reduce through 2016-19.

The Council has a major capital investment programme and there are projects being developed, particularly new school campuses that may see new community facilities built that will become the responsibility of East Ayrshire Leisure in due course.

EQUIPMENT

East Ayrshire Leisure has access to a wide range of specialist equipment and vehicles that support service delivery, including mobile libraries, grounds maintenance equipment, computers and sports equipment.

Ownership of equipment did not transfer in July 2013 and rests with East Ayrshire Council. Inventories that clearly show ownership of equipment are now being kept, as items purchased by East Ayrshire Leisure belong to East Ayrshire Leisure, not the Council.

MUSEUM COLLECTIONS

East Ayrshire Council owns significant museum collection assets which are held within its museums, libraries and archives and is responsible for the management and maintenance of any assets given on loan. East Ayrshire Leisure has been granted licence to use these assets through the Collections Agreement and will maintain and preserve them on behalf of the Council.

ACHIEVEMENT & PERFORMANCE

The Business Plan covering the period of financial years 2016-2019 (with 2019-20 added as an additional year) highlights the Board's priorities in the Action Plan. Progress towards the targets set in the Action Plan is reviewed on a quarterly basis and fully reported annually.

The Business Plan outlines 4 key strategic objectives with specific actions to address them. Details of how we have achieved our objectives to date, or initiatives we are currently developing, are outlined below:

I. TO BE RECOGNISED AS A PROVIDER OF HIGH QUALITY SERVICES AND FACILITIES THAT ARE WELL USED.

Actions to achieve this:

- I.1 Increase customer satisfaction
- I.2 Increase attendance levels/ticket sale through programme development both in person and online
- I.3 Achieve new quality standards and/or maintain current accreditation standards
- I.4 Maintain and sustain high level partnerships that support service delivery and improvements
- I.5 Introduce a system to audit, monitor and improve environmental efficiency across our core facilities

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

KEY POINTS:

East Ayrshire Leisure's overall attendance in 2019-20, increased across all of our venues by over 5%. Results vary per service area; a breakdown is included below:

Attendance figures within our Cultural and Community Venues saw an increase of 1% for 2019-20 against the projections set for the year. On-line library provision had a spike in attendance as a result of library closures in March, and the ensuing marketing push towards driving our customers to use the digital Borrowbox service as an alternative to traditional library services. The futuremuseum website also saw a spike following the closure of our facilities with engaging social media content directing people to the collections. The site benefitted from a massive increase of 69% against the projected target for the year.

Attendance within Sport and Fitness venues has declined over the year by 0.8% which is within our tolerance levels. An upward trend was being noted prior to venue closures in March.

Countryside and Outdoor Activity attendances has increased in 2019-20 by 9.5%

Accreditation levels have been maintained for all our venues. The Palace and Grand Hall were awarded a Gold Award and Cumnock Town Hall was awarded a Silver Award in the Best Bar None National Awards.

Our 'Digital Storyteller in Residence' was shortlisted for Best Community Project at the Herald Society Awards and our Gaelic Visual Arts project was shortlisted for the Innovation in Education Award at the Scottish Gaelic Awards.

Our new website was launched in August 2019. The site was designed to be more user friendly, easier to navigate, mobile compatible and overall more reflective of all service areas of the Trust. Over the period 2019-20 eastayrshireleisure.com has seen a session increase of 2%.

East Ayrshire Leisure continues to develop positive partnerships with a range of key stakeholders. Although not exhaustive, the following partnerships have been very successful in 2019-20:

- A formal partnership was agreed with both Kilmarnock Football Club and Kilmarnock Ladies Football Club for exclusive use of the Synthetic Grass Pitch for training and weekend games at the William McIlvanney Leisure Centre. This is particularly important in supporting the growth and development of female participation in sport.
- A new 'Learn to Swim' programme was introduced in partnership with Scottish Swimming to provide a more comprehensive package for swimmers of all ages.
- The partnership between Scottish Book Trust, Kilmarnock Station Railway Heritage Trust and EAC Vibrant Communities delivered the Digital Storytelling project (funding value of £36,000). 54 people participated in the project to develop their own personal film stories. The group included individuals who have physical, sensory and learning disabilities as well as older people who lacked the digital skills to stay connected online. Their films were premiered at the Dick Institute as part of the celebratory events.
- We were delighted to support iDANCE, the mixed ability dance group, again this year, by giving strategic support to the project and associated development of the group. The dancers premiered their film which celebrated 15 years of iDANCE at Learning Disability Awareness Week in Cumnock and Stewarton.
- Worked with Creative Scotland (funding value of £36,000) Ayrshire Young Carers and Vibrant Communities in the ongoing delivery of the MAKE SOME NOISE music project.

2. TO ENHANCE PEOPLE'S HEALTH & WELLBEING THROUGH PARTICIPATION.

Actions to achieve this:

- 2.1 Increase general participation /attendance levels across service areas
- 2.2 Increase opportunities for/numbers of young people (12-25) using our services.
- 2.3 Maximise access to our facilities and programmes for people with physical, sensory or learning disabilities.
- 2.4 Increase opportunities for/numbers of older people (60+) using our services.

KEY POINTS:

Working with young people has continued to be an important focus for us throughout 2019-20. Some of the exciting initiatives we have been involved in include:

- The Gaelic Visual Art project which came to a close with an accomplished exhibition of work by primary and secondary pupils from Sgoil na Goille Nuaidh. The year-long project offered the opportunity for 29 young people to develop written and spoken Gaelic language skills within the framework of the gallery setting and embedded in creative workshops. One student internship was also undertaken throughout the duration of the project.
- We were also delighted to work with Dalmellington Primary School on a family fitness initiative, funded by Dalmellington Primary Parent Council to give local families the opportunity to spend quality time with their kids and get fit at the same time.
- Across our libraries we have made strategic changes to Bookbug delivery. This free parent/toddler weekly activity is now available in every library in East Ayrshire. National Reading Groups Day was also celebrated with Mary Paulson-Ellis who is the author of Waterstones Scottish Book of the Year for The Other Mrs Walker book.
- 84 students from Onthank Primary, 41 from Hillhead and 57 from Whatriggs schools took part in the 'Castle Construction' workshops during the period.
- Minecraft workshops for young people are running successfully at the Dick Institute, Stewarton and Crosshouse Libraries.
- Natural Leaders programme at Auchinleck Academy, Doon Academy and Kilmarnock Academy was started in 2019, involving the young people in creating/developing a nature reserve within their local community.
- The National Schools Pipe Band Championships took place at William McIlvanney campus with 800 young musicians taking part from across Scotland.
- Monthly "Live at the Dean" sessions held were introduced at the Courtyard at the DCCP, for new young artists to perform in a welcoming environment.
- Sportshall Athletics at the AAA welcomed 615 pupils from 27 Schools
- East Ayrshire Schools Cross Country Competition had 556 school children from East Ayrshire attend AAA

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

In 2019-20, we delivered a wide range of programmes and activities aimed at people with physical, sensory or learning disabilities. These are just a few examples:

- We developed a new partnership at Auchinleck Leisure Centre with Daldorch House School, where we have established a set swimming time for young people who suffer from autism. These young people have struggled to find another venue where they have been welcomed and had the opportunity to be able to go and enjoy themselves in a swimming pool.
- Job clubs, hearing loss clubs and other self-help groups have been introduced and are in place across several libraries.
- We worked in partnership with Vibrant Communities and Dementia Scotland to launch the summer walking programme with a group walk within the DCCP and picnic in the Visitor Centre Courtyard. This added to the Growing Memories Project that is well established with Alzheimers Scotland.
- 175 attendances in All Ability Bike Sessions at the AAA

People over 60 are key customers at several of our venues. However, specific programmes have been developed aimed at people who are in retirement. These have included:

- Libraries supported the Opportunities In Retirement book group.
- Homeworks staff have been part of the team involved in developing a Friendship Group for Housebound customers which brings socially excluded people from their homes to the Dick Institute for tea and a chat
- We celebrated National Mobiles Day with nursing home residents coming to visit the Mobile Library

3. TO ENHANCE THE EAST AYRSHIRE TOURISM OFFER

Actions to achieve this:

3.1 Increase visitor attendance at our key tourist attractions

3.2 Work with local groups to add value to the tourism offer

KEY POINTS:

Our Tourism venues saw an increase of nearly 5% in attendances for 2019-20. Some of the exciting programmes to attract visitors have already been highlighted in the report, however additional events included:

- Our 'Burns's Birthday in Mauchline' annual festival was a huge success with over 500 visitors coming to the Burns House Museum on the afternoon of Saturday 25th January. The highlight was the culmination of three months' work with Mauchline Primary School who performed their promenade and staged performances of song, dance and theatre throughout the afternoon. This was funded by EventScotland. Our Burns's Birthday School workshops were fully booked with around 400 pupils taking part throughout the week.
- Performing Arts have hosted Eddie Reader, EAYT Electricity and Little Top at Cumnock Town Hall during April. In June we hosted the 'Greatest Showman' sing alongs and 12 dance schools featuring the end of term showcases. The Cumnock Town Hall also staged 'Things Ta Dae' and 'CASS' and Disability Showcase shows to sell out audiences.

- We were also pleased to host 2 workshop sessions for the COIG, the new pan Ayrshire Tourism product.
- In October, the Palace hosted the filming of BBC's 'Breaking the News' and a near-capacity gig for Lloyd Cole
- Work has continued to support a number of community development projects including the Irvine Valley Walking Festival, Dalmellington Walking Festival and Kilmaurs Walking Festival.

4. TO BE RECOGNISED AS AN EMPLOYER OF CHOICE

4.1 Increase levels of staff satisfaction from 2016/17 baseline.

4.2 Increase the number of volunteering, placement and apprenticeship opportunities.

4.3 Advance staff through training & development

KEY POINTS:

- Absence levels for the year is 6.62 days which is below the acceptable 8 working days lost per employee. The top 3 causes of absence and action taken to tackle these are as follows:
 - Other Reason – Regular contact is maintained with all employees to ensure the correct interventions are in place to enable them to return to work.
 - Operations/Treatment/Recovery – Managers and Team Leaders support staff through regular contact and employees are referred to Occupational Health where appropriate.
 - Personal Stress – Early intervention is pursued through Occupational Health to assist staff in their return to work.
- There were no formal grievances raised by employees during 2019/20.
- 2 staff within sport and fitness completed their modern apprenticeship.
- In August, the country park hosted its fourth international volunteer workcamp at the Treehouse residential centre. There were participants from Czech Republic, France, Germany, Italy and Spain. 2 local volunteers also took part as camp leaders to gain leadership and group management skills.
- In September, the Survey Volunteers' programme concluded for the year with hedgerow, bumblebee and butterfly surveys. Ayrshire College Social Studies students also started their volunteering sessions with us, which will be weekly until December.
- Friends of the Dean membership has increased with the group focussing on the delivery of the woodland management plan for the Boyd Wood, essential maintenance to the parks boardwalks and clearing invasive rhododendrons from our woodlands.
- 4 Conservation Skills Trainees started their 8 month placement, focussing on conservation skills and traditional rural skills including, Coppicing and Phase 1 Habitat Surveys and Outdoor First Aid, through Parks for People HLF funding.
- 20 students from Ayrshire College, social studies access course, completed the volunteering module, carrying out woodland and invasive species management, tree planting and path maintenance.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

- 14 people continue to actively volunteer through our highly successful Textile Team temporarily based at the old Kirkstyle Primary School building.
- 4 people have also been volunteering on Dean Castle collection movement project.
- 4 full term apprenticeships appointed to young people from Kilmarnock with CBC as part of works programme at Dean Castle and 2 internships have been advertised as part of the programme
- 4 volunteers used by Collection care
- The overall target of 95% returns for EAGER (Lite) was achieved
- In line with the organisations Vision, Mission and Values a new annual Review and Development programme has been designed, Reviewing B.E.S.T Practice.
- Training delivery has focussed on:-
 - Preparation for Interview
 - Leadership and Management Development
- Exchange Programme focusing on Values & Culture and Vision, Mission & Values
- During the year a number of Development Sessions for Team Leaders were delivered covering Leadership & Management, Vision, Mission & Values, Safeguarding Policy, Health & Safety Standards and Communication

ONLINE VISITORS

Eastayrshireleisure.com

Our initial website was launched early 2014 and has continued to attract a significant number of visitors throughout the life of our Business Plans. However the site required to be updated to enhance our online offer and visitor experience and to be much more mobile compatible. Our new site was launched in August 2019 and has exceeded visitor targets with over 332,000 sessions recorded during 2019-20. We continue to monitor performance and develop the website regularly, adapting to digital trends and business needs as appropriate.

Social Media

Our East Ayrshire Leisure and additional facility Facebook pages have continued to attract significant increases, as has our Twitter account. Engagement levels across all platforms is extremely high and plans are underway to expand across additional platforms.

FUTURE DEVELOPMENTS

We have produced a Strategic Vision document and accompanying Action Plan which provides a 10 year vision for East Ayrshire Leisure that provides strong and ambitious objectives, outlines clear timescales for delivery and sets a strategic direction that will develop the Trust into a more independent, resilient, innovative and inclusive organisation. Within the 2020-30 period, East Ayrshire Leisure will continue to grow as a leisure provider, facilitator and partner that is recognised on both a local and national stage.

To be successful in our ambitions collectively we plan:

- To work more closely with local communities and our customers to deliver services that are valued and embedded in local life;

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2020

- To engage with local and national partners to develop collaborative approaches to service design that enhance the opportunities for leisure across East Ayrshire;
- To develop facilities that are of a high quality and to support partners across the third, public and private sector in doing the same;
- To contribute to local and national agendas through the provision of an innovative programme that encourages East Ayrshire to flourish;
- To value our people, recognise their skills and talents and empower them to be solution focused;
- To integrate commercialisation and sustainability into our business model in its widest sense to explore more efficient working practices, governance and leadership arrangements and to look to the market place for inspiration
- To be a responsible member of the community that supports a sense of place and adopts environmental best practice.

Whilst the COVID-19 pandemic has meant we've had to devise new ways of working and to revise to our Action Plan, our guiding principles and core aims remain the same; collectively we will help enable the communities of East Ayrshire to 'Live Their Best Life.'

The financial position of East Ayrshire Leisure is monitored continuously. Management fee is still being received and funding opportunities are being maximised to ensure cash flow remains in credit throughout 2020 and 2021.

TRUSTEES RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees’ annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions for the charity’s constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity’s website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- So far as the Trustee is aware, there is no relevant information of which the charity’s auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information, and to establish that the charity’s auditor is aware of the information.

On 7 September 2020 Group Audit Service Limited trading as Scott Moncrieff Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

Trustees’ Report

Approved by the Board onand signed on its behalf by:

.....

Trustee

.....

Anneke Freel

Chief Officer

East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2020

Opinion

We have audited the financial statements of East Ayrshire Leisure Trust (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this is not a guarantee as charity's ability to continue as a going concern. For example, the ongoing effect of COVID-19 on the UK economy is ever-changing and therefore it is difficult to evaluate all the potential implications to the charity's trade, customers, suppliers and the wider economy."

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2020

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

**East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2020**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charity's trustees, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett
Senior Statutory Auditor
For and on behalf of Azets Audit Services, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:.....

East Ayrshire Leisure Trust
Statement of Financial Activities
For the year ended 31st March 2020

	Notes	Unrestricted Fund 2020	Restricted Funds 2020	2020	2019
		£	£	£	
Income from:					
Charitable activities	3	7,171,171	29,960	7,201,131	7,028,346
Investments	3	1,607	-	1,607	1,181
Total income		7,172,778	29,960	7,202,738	7,029,527
Expenditure on:					
Charitable activities	4	7,687,946	67,203	7,755,149	8,386,871
Other (net interest defined benefit pension scheme)	8	49,000	-	49,000	1,000
Total expenditure		7,736,946	67,203	7,804,149	8,387,871
Net income/(expenditure)		(564,168)	(37,243)	(601,411)	(1,358,344)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	8	2,097,000	-	2,097,000	(1,026,000)
Net movement in funds		1,532,832	(37,243)	1,495,589	(2,384,344)
Reconciliation of funds:					
Total funds brought forward		(1,338,232)	100,493	(1,237,739)	1,146,605
Total funds carried forward	16	194,600	63,250	257,850	(1,237,739)

The Statement of Financial Activities includes all gains and losses recognised in the year. None of the charity's activities were acquired or discontinued during the above period.

The notes on pages 24 to 42 form part of these financial statements.

East Ayrshire Leisure Trust
Balance Sheet
As at 31st March 2019

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	12,875	40,062
Heritage assets	10	34,920	34,920
		47,795	74,982
Current assets			
Stocks and work in progress	11	22,996	21,026
Debtors	12	375,805	671,642
Cash at bank and in hand		761,564	685,025
		1,160,365	1,377,693
Liabilities			
Creditors: Amounts falling due within one year	13	(959,310)	(1,065,414)
Net current assets		201,055	312,279
Net assets excluding pension scheme asset/(liability)		248,850	387,261
Defined benefit pension scheme asset/(liability)	8	9,000	(1,625,000)
Total net assets/(liabilities)		257,850	(1,237,739)
The funds of the charity:			
Restricted income funds	16	63,250	100,493
Unrestricted funds	16	185,600	286,768
Pension reserve	16	9,000	(1,625,000)
Funds		257,850	(1,237,739)

The financial statements were approved and authorised for issue by the Board on

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Trustee

Anneke Freel
Chief Officer

The notes on pages 24 to 42 form part of these financial statements

East Ayrshire Leisure Trust
Statement of Cash Flows for the year ended 31st March 2019

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	74,932	(658,226)
Cash flows from investing activities:			
Investment income		1,607	1,181
Purchase of property, plant and equipment		-	-
Net cash provided by/(used in) investing activities		1,607	1,181
Change in cash and cash equivalents in the reporting period		76,539	(657,045)
Cash at the beginning of the reporting period		685,025	1,342,070
Cash at the end of the reporting period		761,564	685,025

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

East Ayrshire Leisure Trust is a Scottish Charitable Incorporated Organisation, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC043987. Details of the principal address can be found on page 8 of these financial statements.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

East Ayrshire Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

I. Accounting Policies

Incoming resources

Income from leisure, cultural and related activity is recognised in the period when the charity has entitlement to the funds, any performance conditions attached to the items of income has been met, it is probable that the income will be received and the amount can be measured reliably.

Revenue grants, including those from government, are recognised in the Statement of Financial Activities (SoFA) in the period in which the charity is entitled to receipt, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Management fees and other incoming resources are recognised in the period to which they relate.

Investment income is recognised in the period in which it is receivable.

Expenditure recognition and allocation of expenditure

Expenditure is recognised when a liability is incurred.

Where possible, expenditure has been charged direct to charitable expenditure or governance cost. Where this is not possible the expenditure is allocated on the basis of time spent by staff on each activity.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs are provided by East Ayrshire Council and include HR, legal, finance. The bases on which support costs have been allocated are set out in note 5.

Tangible Fixed Assets and Depreciation

It is the policy of the charity to capitalise expenditure of a capital nature in excess of £5,000.

Assets donated to the charity are included in the Balance Sheet and Statement of Financial Activities at cost.

Depreciation is charged to write off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful lives as follows:

Furniture and equipment: 5 years

Heritage Assets

Heritage Assets includes tangible fixed assets which are of historic, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Heritage Assets are presented separately in the Balance Sheet from other Tangible Fixed Assets. Heritage Assets are reported at cost. Depreciation has not been provided on heritage assets due to these assets having indefinite long useful lives.

Lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Stock

Stocks are valued at the lower of cost and net realisable value in the ordinary course of activities.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Debtors

Trade debtors are amounts due from customers for services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.

Financial assets and financial liabilities

Financial instruments are recognised in the Statement of Financial Activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from asset to expire, or when the charitable company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Pensions

East Ayrshire Leisure Trust operates a defined benefit scheme in respect of its employees. The assets of the scheme are held in external funds managed by professional investment managers.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs related to the defined benefit scheme are recognised in the Statement of Financial Activities.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised in the statement of financial activities when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

VAT

The charity is partially exempt from VAT. Irrecoverable VAT is charged to the Statement of Financial Activities as an expense.

Unrestricted funds

Surplus revenue funds held within unrestricted funds are carried forward to meet the cost of future activities mainly of a revenue nature.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

Commitments for specific activities and needs in the future are dealt with by making allocations to designated funds.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the appropriate fund, together with a fair allocation of management support costs where this is considered appropriate.

Taxation

The charity has charitable status and is therefore exempt from taxation under Sections 466 to 493 Corporation Tax Act 2010 (CTA 2010).

Going concern

The financial statements have been prepared on the basis of accounting policies that are consistent with the treatment of the charity as a going concern. The current funding agreement with East Ayrshire Council covers up to the 31st March 2021. In the Trustee's opinion, the charity will be able to continue for the foreseeable future. East Ayrshire Leisure participates in a defined benefit retirement scheme, excluding this scheme, the charity reported unrestricted funds of £185,600.

This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements.

2. Critical judgements and estimates

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

3. Income

Investment income

Investment income comprises bank interest. In 2020 bank interest received £1,607 (2019: £1,181).

Income from charitable activities is as follows:

	2020	2020	2020	31st March
	Operating	Restricted	Total	2019
	Fund	Fund		
	£	£	£	£
Chief Executive & People & Finance	5,001,064	-	5,001,064	4,836,012
Marketing & Development	3,010	-	3,010	1,412
Cultural	1,009,754	-	1,009,754	1,022,609
Countryside services	337,510	-	337,510	318,803
Sport & Community Venues	819,833	-	819,833	740,631
Projects (Restricted income)	-	29,960	29,960	108,879
Total income from provision of facilities and services	7,171,171	29,960	7,201,131	7,028,346

A management service fee of £4,945,950 was received from East Ayrshire Council for the year (2019: £4,829,955).

Income on charitable activities was £7,201,131 (2019: £7,028,346) of which £7,171,171 was unrestricted (2019: £6,919,467) and £29,960 (2019: £108,879) was restricted. All other income was unrestricted.

4. Charitable expenditure

2020

	Chief			Sport &			Total	2019
	Executive	Marketing &	Countryside	Community				
	& People	Development	Services	Venues	Projects			
	& Finance							
	£	£	£	£	£	£	£	£
Employee costs	1,037,392	202,480	2,064,604	941,774	1,313,194	17,442	5,576,886	6,208,881
Property costs	10,910	-	407,551	194,659	59,452	95	672,667	649,869
Supplies and Services	117,525	90,502	687,000	235,813	78,401	48,661	1,257,902	1,283,499
Transport Costs	2,513	-	12,170	24,052	19	1,005	39,759	38,332
Support Services	187,400	-	-	-	-	-	187,400	187,400
Governance	20,535	-	-	-	-	-	20,535	18,890
Total	1,376,275	292,982	3,171,325	1,396,298	1,451,066	67,203	7,755,149	8,386,871

Expenditure on charitable activities was £7,755,149 (2019: £8,386,871) of which £7,687,946 was unrestricted (2019: £8,234,825) and £67,203 (2019: £152,046) was restricted.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

2019

	Chief Executive & People & Finance	Marketing & Development	Cultural	Countryside Services	Sport & Community Venues	Projects	Total	2018
	£	£	£		£	£	£	£
Employee costs	1,722,063	209,693	2,098,054	882,523	1,255,591	40,957	6,208,881	5,617,579
Property costs	8,295	-	373,801	189,319	78,454	-	649,869	717,022
Supplies and Services	62,527	107,708	761,519	138,574	102,157	111,014	1,283,499	1,237,922
Transport Costs	1,815	-	13,482	22,890	70	75	38,332	45,801
Support Services	187,400	-	-	-	-	-	187,400	212,400
Governance	18,890	-	-	-	-	-	18,890	13,578
Total	2,000,990	317,401	3,246,856	1,233,306	1,436,272	152,046	8,386,871	7,844,302

Expenditure on charitable activities was £8,386,871 (2018: £7,976,713) of which £8,234,825 was unrestricted (2018: £7,353,581) and £152,046 (2018: £623,132) was restricted.

5. Analysis of governance and support costs

	General Support	Governance	2020	2019
			£	£
Support services from East Ayrshire Council				
Health and Safety	4,400	-	4,400	4,400
Internal Audit	-	4,000	4,000	4,000
Human Resources	65,000	-	65,000	65,000
Corporate Infrastructure	40,000	-	40,000	40,000
Finance	29,000	-	29,000	29,000
Legal and Procurement Services	10,000	35,000	45,000	45,000
Sub total – support services from East Ayrshire Council	148,400	39,000	187,400	187,400
Other				
Audit fees	-	11,400	11,400	11,000
Accountancy fees	9,135	-	9,135	7,890
Sub total - other	9,135	11,400	20,535	18,890
Total governance and support costs	157,535	50,400	207,935	206,290

General support costs in 2020 were £157,535 (2019: £156,290) and governance costs £50,400 (2019: £50,000).

East Ayrshire Leisure receives support services from East Ayrshire Council. The total cost of support services provided by the Council in 2020 was £187,400 (2019 £187,400). The governance element of the support costs provided by the Council are calculated based on time spent throughout the year on governance activities.

The costs associated with trustee indemnity insurance are met by East Ayrshire Council.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

6. Staff Costs and Numbers

	2020	2019
	£	£
Wages and salaries	3,940,026	3,950,636
Social security costs	305,658	310,505
Other pension costs	1,083,753	1,721,251
Other staff costs	247,449	226,489
	<u>5,576,886</u>	<u>6,208,881</u>

9 members of staff were made redundant during the year (2019: 2).

Following UK and Scottish Government Guidance, all East Ayrshire Leisure venues closed to the public on the 18th March. From this point, an agreement was reached with the joint trade unions where 72% of contracted and 100% of casual employees were put on furlough leave. To the end of March 2020, the Trust had claimed £33,709 under the Job Retention Scheme.

Employees receiving salaries, including benefits in kind, of more than £60,000 were are follows:

	2020	2019
£80,000 - £89,999		

The senior management team comprises six staff members (2019: 6 staff members). The total employee benefits (including employers contributions) of the senior management team were £366,035 (2019: £424,295).

The average number of employees during the period was made up as follows:

	2020	2019
	Number	Number
East Ayrshire Leisure Trust		
Full-time (permanent)	101	105
Part-time (permanent)	84	89
	<u>185</u>	<u>194</u>

During the year trustees received no remuneration (2019: nil). Trustee expenses totalled £124 (2019: £110). No trustees received payment for professional or other services supplied to the charity (2019: nil).

7. Operating Surplus

	2020	2019
	£	£
The operating surplus is stated after charging/(crediting)		
Auditors' remuneration (including expenses) for audit	11,400	11,000
for other services	9,135	7,890
Operating lease rentals	24,440	10,402

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

8. Pension Costs

East Ayrshire Leisure Trust is an admitted body of the Strathclyde Pension Fund. The Superannuation Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31st March 2017 and following this valuation employer's contributions have been set at 19.3% for the years ended 31st March 2019, 2020 and 2021.

The pension results for 2019/20 have taken into account the financial effects of the McCloud judgement and General Minimum Pension (GMP) equalisation.

As sponsoring authority, East Ayrshire Council has guaranteed to accept liability for any unfunded costs which may arise with regard to the Trust relating to their membership in the Strathclyde Pension Fund, should they cease to exist.

The movement in the defined benefit obligation over the year is as follows:

	31st March 2020	31st March 2019
	£'000	£'000
Opening defined benefit obligation	25,696	21,701
Current service cost	1,467	1,272
Past service cost/(gain) (including curtailments)	(207)	433
Interest cost on defined benefit obligation	660	607
Contributions by members	207	198
Actuarial losses/(gains)	(3,746)	1,754
Benefits paid	(286)	(268)
Unfunded benefits paid	(2)	(1)
	<u>23,789</u>	<u>25,696</u>

The movement in the fair value of plan assets in the year is as follows:

	31st March 2020	31st March 2019
	£'000	£'000
Opening fair value of plan assets	24,071	22,151
Interest income on plan assets	611	606
Contributions by members	207	198
Contributions by the employer	844	656
Contributions in respect of unfunded benefits	2	1
Actuarial (loss)/gain	(1,649)	728
Benefits paid	(286)	(268)
Unfunded benefits paid	(2)	(1)
	<u>23,798</u>	<u>24,071</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

Amounts recognised in net income/expenditure (per SOFA):

	31st March 2020	31st March 2019
	£'000	£'000
Current service cost	(1,467)	(1,272)
Past service cost/(gain) (including curtailments)	207	(433)
Total service cost	(1,260)	(1,705)
Net interest		
Interest income on plan assets	611	606
Interest cost on defined benefit obligation	(660)	(607)
Total net interest	(49)	(1)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(1,309)	(1,706)

The major categories of plan assets as a % of the total plan assets are as follows:

	31st March 2020	31st March 2019
	%	%
Equities	62	64
Bonds	25	24
Property	12	10
Cash	1	2

The estimated employer contributions for the year to 31 March 2021 are £679,000.

The principal actuarial assumptions used in the calculations are:

	31st March 2020	31st March 2019
	% per annum	% per annum
Pension Increase Rate	1.8	2.4
Salary Increase Rate	2.9	3.6
Discount Rate	2.3	2.5

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2018 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.7 years	22.9 years
Future Pensioners	22.2 years	24.6 years

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

9. Fixed Assets

	Furniture & Equipment	Total
	£	£
Cost		
As at 1 st April 2019	157,582	157,582
	<hr/>	<hr/>
As at 31 st March 2020	157,582	157,582
	<hr/> <hr/>	<hr/> <hr/>
Depreciation		
As at 1 st April 2019	117,520	117,520
Charge	27,187	27,187
	<hr/>	<hr/>
As at 31 st March 2020	144,707	144,707
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
As at 31 st March 2019	40,062	40,062
As at 31 st March 2020	12,875	12,875
	<hr/> <hr/>	<hr/> <hr/>

10. Heritage Assets

In 2014/15, the Trust procured a silver gilt sculpture of Lord Eglinton. This asset was fully funded by external providers.

	Heritage Assets	Total
	£	£
Cost		
As at 1 st April 2019	34,920	34,920
	<hr/>	<hr/>
As at 31 st March 2020	34,920	34,920
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
As at 31 st March 2019	34,920	34,920
As at 31 st March 2020	34,920	34,920
	<hr/> <hr/>	<hr/> <hr/>

11. Stock

	2020	2019
	£	£
Goods for re-sale	22,996	21,026
	<hr/> <hr/>	<hr/> <hr/>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

12. Debtors

	2020	2019
	£	£
Amounts due from East Ayrshire Council	176,564	528,253
Trade debtors	90,680	88,898
Other debtors and prepayments	108,561	54,491
	<u>375,805</u>	<u>671,642</u>

13. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Amounts owed to East Ayrshire Council	46,684	31,941
Trade creditors	87,128	34,194
Accruals and deferred income	564,446	651,913
Taxation and social security	261,052	347,366
	<u>959,310</u>	<u>1,065,414</u>

14. Deferred income

Deferred income comprises advanced ticket sales.

	2020	2019
	£	£
Balance as at 1 st April 2019	143,246	145,671
Amounts released to income during 2019/20	(143,246)	(145,671)
Amounts deferred in year	100,988	143,246
	<u>100,988</u>	<u>143,246</u>
Balance as at 31 st March 2020	<u>100,988</u>	<u>143,246</u>

15. Financial assets and liabilities

	2020	2019
	£	£
Financial assets at amortised cost	1,078,288	1,327,893
Financial liabilities at amortised cost	(597,270)	(574,802)
	<u>481,018</u>	<u>753,091</u>

Financial assets comprise amounts due from East Ayrshire Council, trade debtors, other debtors and cash and bank balances. Financial liabilities comprise amounts owed to East Ayrshire Council, trade creditors and accruals.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

16. Reserves

Funds 2020	Unrestricted Funds	Restricted Funds	2020 Total	2019 Total
	£	£	£	£
Balance at 31 st March 2020				
Represented by:				
Fixed assets	47,795	-	47,795	74,982
Net current assets	137,805	63,250	201,055	312,279
Retirement benefit scheme asset/(liability)	9,000	-	9,000	(1,625,000)
	<u>194,600</u>	<u>63,250</u>	<u>257,850</u>	<u>(1,237,739)</u>

Funds 2019	Unrestricted Funds	Restricted Funds	2019 Total	2018 Total
	£	£	£	£
Balance at 31 st March 2019				
Represented by:				
Fixed assets	74,982	-	74,982	106,492
Net current assets	211,786	100,493	312,279	590,113
Retirement benefit scheme asset/(liability)	(1,625,000)	-	(1,237,739)	450,000
	<u>(1,338,232)</u>	<u>100,493</u>	<u>(1,237,739)</u>	<u>1,146,605</u>

Unrestricted Fund 2020	Opening Balance at 1st April 2019	Incoming	Outgoing	Transfers	Actuarial Gain/(Loss)	Closing Balance at 31st March 2020
	£	£	£	£	£	£
Unrestricted fund	199,858	7,136,428	(7,213,356)	8,140	-	131,070
Designated funds	86,910	36,350	(60,590)	(8,140)	-	54,530
Pension reserve	(1,625,000)	-	(463,000)	-	2,097,000	9,000
	<u>(1,338,232)</u>	<u>7,172,778</u>	<u>(7,736,946)</u>	<u>-</u>	<u>2,097,000</u>	<u>194,600</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

Unrestricted Fund 2019	Opening Balance at 1st April 2018	Incoming	Outgoing	Transfers	Actuarial Gain/(Loss)	Closing Balance at 31st March 2019
	£	£	£	£	£	£
Unrestricted fund	336,235	6,894,648	(7,039,195)	8,170	-	199,858
Designated funds	216,710	26,000	(147,630)	(8,170)	-	86,910
Pension reserve	450,000	-	(1,049,000)	-	(1,026,000)	(1,625,000)
	<u>1,002,945</u>	<u>6,920,648</u>	<u>(8,235,825)</u>	<u>-</u>	<u>(1,026,000)</u>	<u>(1,338,232)</u>

Designated Funds 2020:	2019	Incoming	Outgoing	Transfer	2020
	£	£	£	£	£
Depreciation (to fund depreciation on fixed assets)	28,380	-	(19,240)	-	9,140
Fixed assets	34,920	-	-	-	34,920
Libraries Fit Out	1,550	-	-	(1,550)	-
Website Development	15,470	-	(15,000)	-	470
Training & Development	1,790	-	-	(1,790)	-
Redundancy Costs	3,450	-	-	(3,450)	-
PFS Miscellaneous Expenditure	980	-	-	(980)	-
Marketing Activity	370	-	-	(370)	-
Dover House upgrades	-	10,000	-	-	10,000
Noveau	-	4,000	(4,000)	-	-
IT Upgrade costs	-	22,350	(22,350)	-	-
Total designated funds	86,910	36,350	(60,590)	(8,140)	54,530

Designated Funds 2019	2018	Incoming	Outgoing	Transfer	2019
	£	£	£	£	£
Depreciation (to fund depreciation on fixed assets)	47,620	-	(19,240)	-	28,380
Fixed assets	43,640	-	(8,720)	-	34,920
Libraries Fit Out	80,500	-	(78,950)	-	1,550
Website Development	23,900	-	(8,430)	-	15,470
Promotion of New Mobile Libraries	2,500	-	(2,500)	-	-
Keep Scotland Beautiful	1,250	-	(1,250)	-	-
DCCP Play Area	6,350	-	(6,350)	-	-
Youth Theatre	2,520	-	(2,520)	-	-
Training & Development	8,430	-	(6,640)	-	1,790
Redundancy Costs	-	16,830	(13,380)	-	3,450
PFS Miscellaneous Expenditure	-	8,000	(7,020)	-	980
Marketing Activity	-	18,000	(17,630)	-	370
Total designated funds	216,710	42,830	(172,630)	-	86,910

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

Restricted funds

2019		2019		2019		2020		2020		2020	
Opening Balance	Incoming Resources	Resources Expended	Closing Balance	Opening Balance	Incoming Resources	Resources Expended	Closing Balance	Opening Balance	Incoming Resources	Resources Expended	Closing Balance
£	£	£	£	£	£	£	£	£	£	£	£
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	6,900	(348)	6,552	-	-	-	-	-	-	-	-
-	5,432	-	5,432	-	-	-	-	-	-	-	-
-	43,715	-	43,715	-	-	-	-	-	-	-	-
4,336	-	(102)	4,234	-	-	-	-	-	-	-	-
6,480	2,000	-	8,480	-	970	-	-	-	-	-	-
15,000	-	-	15,000	-	-	(45)	14,955	-	-	-	-
-	6,500	(6,500)	-	-	6,076	(5,215)	861	-	-	-	-
13,179	-	(2,630)	10,549	-	-	(10,549)	-	-	-	-	-
5,400	1,500	(1,918)	4,982	-	-	(4,982)	-	-	-	-	-
-	1,865	(1,865)	-	-	-	-	-	-	-	-	-
1,549	-	-	1,549	-	-	(1,549)	-	-	-	-	-
639	226	(865)	-	-	-	-	-	-	-	-	-
(2,489)	10,577	(8,088)	-	-	-	-	-	-	-	-	-
77,211	-	(77,211)	-	-	-	-	-	-	-	-	-
9,310	4,087	(13,397)	-	-	-	-	-	-	-	-	-
691	22	(713)	-	-	-	-	-	-	-	-	-
2,082	-	(2,082)	-	-	-	-	-	-	-	-	-

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

2019				2020			
Opening Balance	Incoming Resources	Resources Expended	Closing Balance	Opening Balance	Incoming Resources	Resources Expended	Closing Balance
£	£	£	£	£	£	£	£
8,272	-	(8,272)		-	-	-	-
2,000	-	(2,000)		-	-	-	-
-	26,055	(26,055)		-	-	-	-
143,660	108,879	(152,046)	100,493	100,493	29,960	(67,203)	63,250

The Natural Leaders project is well underway with work beginning on key open spaces with Auchinleck, Doon and Kilmarnock Academy. This project aims to develop Local Nature Reserves which can be used by the community and as an outdoor learning resource.

Logan Centre (Ringfenced) – Funding allocated to EA Leisure for future disbursement to Logan area.

Rose Reilly Renaming – This project was scheduled to be completed for Saturday 21st March with Rose Reilly attending an official launch, offering free sports activities for the local community. It has now been postponed however, the preparatory building work is well underway including the completion of the external building cleaning and signage. It is anticipated work on the internal signage and new external lighting will recommence once Covid-19 restrictions are lifted and an alternative launch date will be facilitated.

SHOUT - £5000 Funding from East Ayrshire Council has been issued to offer FREE swimming to SHOUT card holders during the school holiday periods throughout the year.

Johnnie Walker Display – East Ayrshire Council is in partnership with Diageo to run a year long programme of activity in 2020, celebrating 200 years of Johnnie Walker Whisky. The partnership is supported with an investment of £110,000 from Diageo, part of which is attributed to the Dick Institute Johnnie Walker display. To mark the beginning of the bicentenary celebrations, Diageo were keen to work with East Ayrshire Leisure to develop a new display of never before seen collection items. East Ayrshire Leisure led the display development in partnership with the Johnnie Walker Archive which required three new museum standard environmentally controlled cases, two flat screen televisions, display cradles and three new interpretation banners with bespoke hanging systems. East Ayrshire Leisure delivered the display by 19th February and the year of celebrations launched with an event which welcomed around 60 people.

Digital Storyteller in Residence - The project which was funded by the Scottish Book Trust has now come to an end. The initiative worked with people facing social isolation for whatever reason, to encourage participation in and the use of digital platforms to tell their own personal story. The Arts, Libraries and Museums Development team led the project with partners in Kilmarnock Station Railway Heritage Trust (KRSHT) and Vibrant Communities. The project was externally recognised by being shortlisted for Community Project of the Year at the Herald Society Awards. There is a surplus balance which Scottish Book Trust have said we can use towards further Digital Storytelling

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

activities. We are currently paying for further training for KRSHT from the fund, and have invested in suitable transit cases to keep the kit safe when loaned out to our partners.

Nature Therapy Breaks - Funding has been secured from Shared Care Scotland to offer free residential respite experiences for young people who have care responsibilities for family members. 2 weekend sessions will be offered to 20 young people identified in partnership with East Ayrshire Carers.

Irvine Valley Trails - The Renewable Energy Fund has agreed that the shortfall in spend in the development stage grant can be reallocated to the Trails capital grant of £213,964. The Irvine Valley Trails project also received funding from the Low Carbon Travel and Transport Fund and Transport Scotland to implement a series of routes throughout the Irvine Valley that support active travel. All funding is in place for this project and implementation started Autumn 2019.

Ayrshire Libraries Forum is a network partnership of the three Ayrshire councils, Ayrshire NHS, school, prison and higher education libraries to be used towards the upkeep of Ayrshire Working Lives website.

Museums Database - East Ayrshire Leisure cares for approximately 250,000 objects within the museums it manages on behalf of East Ayrshire Council. Currently these collections are documented on a mixture of ageing and basic database systems. As we progress through the actions outlined within our Accreditation plan, including a full, basic inventory of all collections, plus our work with our Recognised collections, it is clear that we require a modern, future-proof database for use across the museum service, with opportunities for working with external partners in a more co-ordinated and efficient way. The total project cost is £21,600, of which Museums Galleries Scotland has awarded 75% of project costs.

Kilmarnock Green Infrastructure - The design and feasibility work has been completed for the Kilmarnock Green Infrastructure Project. £300k has been secured from Sustrans for further design work for a multi-million pound application later in the year. A Project Board, chaired by East Ayrshire Leisure, has been established to oversee the development and implementation of this 18 mile cycle route project for Kilmarnock made up of officers from East Ayrshire Leisure, East Ayrshire Council and Ayrshire Roads Alliance.

Burns Birthday in Mauchline – The project is now in its fifth year and will take place on Saturday 25th January from 12noon until 4pm at Burns House Museum, Mauchline Parish Church Halls and Mauchline Kirkyard. The family event which is funded by EventScotland is free and includes lots of Burns related activity including visual art, puppet making, Kirkyard tours with our partners Mauchline Burns Club, curator talks and a very special performance by pupils of Mauchline Primary School.

Make Some Noise is a music project funded by Creative Scotland and aimed at young people in a foster, looked-after, kinship or young caring environment and designed to help build self-esteem and provide a range of creative learning opportunities.

GAELIC VISUAL ARTS - The Dick Institute's Gaidhlig Gailearaidhean will see a second series of workshops facilitated in Gaelic in the galleries, aimed at promoting the use of Gaelic and the development of Gaelic language skills utilising visual arts and culture. Monthly workshops take place with Gaelic Artist Eoghann MacColl and young Gaelic speakers from the Mcllvannay Campus. The project also supports one apprentice placement from the Mcllvannay Campus. Funded by Bord Na Gaidhlig and Creative Scotland.

Magic at the Museum – TIME TRAVELLERS -Time travellers from all frontiers are invited to join us for an exciting multi-sensory arts experience on the theme of TIME TRAVEL! Travellers will arrive at the Dick Institute in the year 2018, to undertake an EPIC journey through storytelling, drama, puppet making and film. Meet award winning children's author Janis MacKay who will tell you all about 'The Reluctant Time Traveller'. Funded by Museums Galleries Scotland.

East Ayrshire Leisure Trust
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For the year ended 31st March 2020

Following the completion of the Countryside Festival in 2015, there was an outstanding balance of £1,549 from the Awards for All grant. Awards for All have agreed that this money can be retained and used as part of the funding package for the upgraded River Ayr Way Signage and Interpretation project. Survey work has been completed for this project and work has begun with local communities to ensure that signage and interpretation is link to the towns and villages along the route. An expression of interest is being prepared for the VisitScotland Rural Paths Fund to rebrand and upgrade the signage and interpretation along the whole route. Expressions of Interest are due to be submitted by 31st October.

Textile team is a team of volunteers that were originally funded by HLF to carry out restoration and repair of textiles. The remaining funding supports the group to continue with its work.

The McKie Collection funded by Museum Galleries Scotland is to support the digitisation of the McKie collection. A new post will be appointed for 18 months to deliver the project.

Funding was received from the Renewable Energy Fund to appoint a project officer to implement the Irvine Valley Trails Project over a 3 year period.

GENERATION Z - A co-designed programme of events throughout 2018. The launch event features Tom Foster of Judge Dredd fame, fully immersive Virtual Reality experiences, an interactive gaming tournament and a host of other drop in activities, GENERATION Z is a FREE festival for fans of all ages. GENERATION Z is funded by EVENTSCOTLAND.

The Bat Bothy Project has secured £2000 through the Tesco Bags of Help scheme. Working with Xchange Scotland, this unique facility to encourage roosting and hibernating bats with the Country Park will be built by volunteers from across Europe.

As part of the Year of History, heritage and Archaeology, a grant of £10,000 was secured from the Heritage Lottery Fund. This grant will be used to create 2 volunteer apprenticeships, provide a range of rural skills training for volunteers and to purchase tools and equipment to enable traditional rural skills to be carried out at the Country Park.

£9,903 has been awarded to East Ayrshire Leisure to develop a remote volunteering project in partnership with Alzheimer's Scotland. This project will provide all the equipment necessary for people suffering from dementia to grow wildflowers within their own homes. These will then be used to create a wildflower meadow at the Country Park. A celebration day will be organised in Summer 2018 where all volunteers and their families will be invited to a tea party at the Country Park.

£2,000 has been awarded to support the purchase and planting of trees and shrubbery associated with the WWI memorial artwork, which has been developed by Pidgin Perfect in collaboration with Scottish makar Jackie Kay, Loanhead Primary School and adults who took part in a poetry workshop.

DCCP Development Project received funding from the Renewable Energy Fund. This will be drawn down annually for 3 years. This funding is specifically targeted at the biodiversity, paths, volunteering and activities aspects of the project.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020	2019
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	(601,411)	(1,358,344)
Adjustments for:		
Interest received	(1,607)	(1,181)
Depreciation	27,187	31,510
Net cost in respect of pensions	463,000	1,049,000
(Increase)/decrease in stock	(1,970)	(3,434)
(Increase)/decrease in debtors	295,837	208,084
Increase/(decrease) in creditors	(106,104)	(583,861)
Net cash provided by (used in) operating activities	74,932	(658,226)
Analysis of cash and cash equivalents		
	2020	2019
	£	£
Cash in hand	761,564	685,025
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	761,564	685,025

18. Operating lease commitments

At 31st March 2020, the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	2020		2019	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within one year	-	23,436	-	24,440
Within two to five years	-	49,546	-	97,423
	-	72,982	-	121,863

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2020

19. Related parties

East Ayrshire Council (EAC) made a contribution in line with the Services Agreement of £4,945,950 (2019: £4,829,955). Facilities were leased to East Ayrshire Leisure for a peppercorn rent. East Ayrshire Council also provided various support functions including Legal, Finance and IT for which the charity was charged £187,400 (2019: £187,400).

The relevant transactions and balances with East Ayrshire Council were:

2019/20				2018/19			
Income from EAC	Payments to EAC	Due from	Due to	Income from EAC	Payments to EAC	Due from	Due to
£	£	£	£	£	£	£	£
5,314,828	450,670	46,684	176,564	6,270,412	473,348	528,253	31,941
<u> </u>							

20. Contingent Liabilities

There are three public liability claims, and one employer liability claim ongoing. (2019: two employer's liability claims and two public liability claims).

Employer and public liability cases are handled via East Ayrshire Council's insurer (Zurich). If it is determined that the Trust is liable, it will need to pay the first £500 and the remainder will be covered by the insurer. Until the Assessor has completed its work, the Trust accepts no liability for these claims.

21. Post Balance Sheet Event

None.

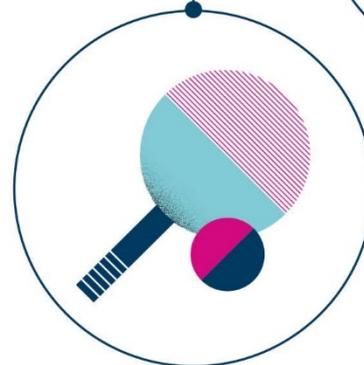
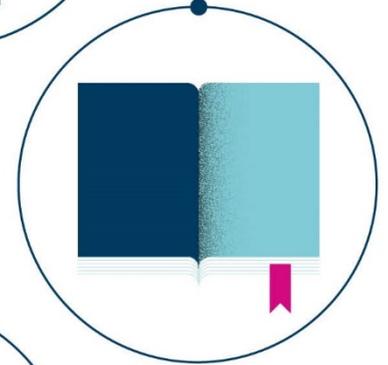
22. Non-Audit Services

In common with many other charities of a similar size, the charity's auditor assists with the preparation of the financial statements.



Scott-Moncrieff
business advisers and accountants

With **Campbell Dallas**
a Capital company



East Ayrshire Leisure

Audit Management Report for
the year ended 31 March 2020

August 2020



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1. Introduction



Introduction

1. Recognising the importance of effective two-way communication in an audit of financial statements, we have prepared this report to provide you with constructive observations arising from the audit process.
2. International Standards on Auditing (UK) 260, "Communication with those charged with governance" and 265 "Communicating deficiencies in internal control to those charged with governance" require Scott-Moncrieff to report to those charged with governance the significant findings from our audit.
3. This report aims to provide trustees with constructive observations arising from the audit process. We set out in this report details of:
 - any expected modifications to our audit reports;
 - any unadjusted items in the financial statements (except any unadjusted items which are clearly trivial) including the effect of unadjusted items related to prior periods on the current period;
 - any material weaknesses in systems we have identified during the course of our audit work and our views about the quality of accounting practices and financial reporting procedures; and
 - any other relevant matters.
4. Our procedures are carried out solely for the purpose of our audit so that we can form and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Our audit does not necessarily disclose every weakness and for this reason the matters referred to may not be the only shortcomings which exist. Communication in this report of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.
5. We take this opportunity to remind you that:
 - This report has been prepared for the sole use of the Board of East Ayrshire Leisure (the Trust);
 - It must not be disclosed to any third party without our written consent; and
 - No responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes.
6. The report has been discussed and agreed with Jackie Biggart (People and Finance Manager) and Lorraine Russell (Senior Accountant).
7. We would like to thank management and staff for their kind co-operation and assistance during our audit.



2. Financial statements



Financial statements

Audit conclusion

8. In our opinion the financial statements give a true and fair view and comply with the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities and Trustee Investment (Scotland) Act 2005 and all relevant accounting standards.
9. We are pleased to report we intend to provide an unqualified audit opinion. In our opinion, from information provided to us during the audit, no events or conditions appear to exist which cast doubt on the Trust's ability to continue as a going concern. We are therefore satisfied with the disclosure in the financial statements.
10. Our intended audit opinion is based on your approval of the financial statements and signing of the letter of representation. Within the letter, you

will confirm that there are no subsequent events that require amendment to the financial statements.

Our assessment of risks of material misstatement

11. The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described in Exhibit 1 below:

Exhibit 1 – Our assessed risks of material misstatement and how the scope of our audit responded to those risks

1. Management override

In any organisation, there exists a risk that management has the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the financial statements. This is treated as a presumed risk area in accordance with ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements*.

Noted in the 2019/20 External Audit Plan

12. We have not identified any indications of management override in the year. We have reviewed the Trust's accounting records and obtained evidence to ensure that transactions outside the normal course of business were valid and accounted for correctly. We have also reviewed management estimates and the journal entries processed in the period and around the year end. We did not identify any areas of bias in key judgements made by management and judgements were consistent with prior years.



2. Revenue recognition

Under ISA (UK) 240- *The auditor's responsibilities relating to fraud in an audit of financial statements* there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the organisation could adopt accounting policies or recognise revenue transactions in such a way as to lead to a material misstatement in the reported financial position.

Noted in the 2019/20 External Audit Plan

13. While we did not suspect incidences of material fraud and error we evaluated each type of income transaction and documented our conclusions. We have gained reasonable assurance on the completeness and occurrence of income and we are satisfied that income is fairly stated in the financial statements. To inform our conclusion we carried out testing to confirm that the Trust's policy for income recognition is appropriate and has been applied consistently throughout the year.

3. Pension assumptions

An actuarial estimate of the pension fund assets and liabilities is calculated on an annual basis under FRS 102 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up-to-date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities.

Due to the timing of the publication of local government unaudited accounts, the annual valuation is typically performed in advance of actual investment returns being available. This results in the valuation also including an assumption regarding the investment returns of assets held by the fund for the final quarter of the financial year. Financial markets have experienced significant volatility and this trend has continued into 2020 which may result in challenges in estimating expected return on assets..

Noted in the 2019/20 External Audit Plan

14. We reviewed the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data, with no issues identified. In addition we reviewed the information in the actuarial report for completeness and accuracy against the published pension fund data.
15. We have considered the competence, capability and objectivity of the actuary in line with the requirements of ISA (UK) 500 'Audit Evidence'. From this review we did not identify any items which gave us cause for concern over the suitability of the actuary.
16. The net pension asset/liability within the audited accounts has been revised to take account of the latest reliable, available information on the 'McCloud Judgement'. This case relates to an employment tribunal ruling that transitional provisions impacting on a public sector final salary scheme were unlawfully age discriminatory. This was upheld in the Courts in December 2018 although the Government at that stage sought leave to appeal this judgement. In June 2019, the Supreme Court rejected the Government's request for a further appeal.
17. In July 2020, the Government released its consultation on applying the remedy to address the age discrimination inherent within the transitional protections that were adopted by the public service schemes in 2014 and 2015. The SPPA on behalf of Scottish Ministers has also released a consultation document which sets out its preferred policy approach for remedying the discrimination in the Local Government Pension Scheme. The Trust's Actuaries highlighted that the remedy consultation could



have a material impact on the treatment of McCloud in the March 2020 actuarial pension valuations.

18. Estimates require to be based on the latest available, reliable information, including information that becomes available after 31 March. The issue of the consultation paper from SPPA is an adjusting event as it provides evidence of conditions that existed as at 31 March 2020.
19. Management therefore requested a revised actuarial report from its Actuaries. The financial effect of this pension issue is a past service gain of £220,000. As a consequence, the net pension liability of £211,000 as reported in the draft financial statements is now a net pension asset of £9,000.

COVID-19

COVID-19 is having a significant impact on the whole economy and the ability of organisations to continue in both the short and long term. The implications of these risks and uncertainties will currently be under consideration by the Trust. The impact on year end balances and the going concern of the Trust should be considered. The Financial Reporting Council and OSCR has also issued guidance on the reporting within the financial statements. Required disclosures will likely change over time as more information about the pandemic emerges. As a result, organisations will need to monitor developments and ensure that they are providing up-to-date and meaningful disclosure when preparing their year-end reports.

Noted in the 2019/20 External Audit Plan

20. From our review, and understanding of the Trust's operations, we are satisfied that the impact of COVID-19 does not present a material uncertainty to the going concern basis of preparation.
21. We have reviewed the disclosures within the financial statements as they relate to COVID-19 and consider these to be appropriate and in accordance with current guidance.

Our application of materiality

22. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. We review our assessment of materiality throughout the audit.
23. Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.
24. Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.
25. Our initial assessment of materiality for the financial statements was £141,000. On receipt of the 2019/20 draft financial statements, we reassessed materiality and set it at £140,000 (as per the table below). We consider that our updated assessment has remained appropriate throughout our audit.



	Materiality £
Overall materiality: Our assessment is based on approximately 2% of incoming resources. We consider incoming resources to be the principal consideration for the users of the financial statements when assessing the performance of the Trust.	140,000
Performance materiality: using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.	105,000

26. We noted within our External Audit Plan that we would report to the Trust all audit differences in excess of 5% of the overall materiality figure, as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds.

Audit differences

27. We identified six audit adjustments, the details of which are disclosed in appendix 2.
28. We did not identify any unadjusted items.

An overview of the scope of our audit

29. The scope of our audit was detailed in our External Audit Plan which was presented to the Performance and Audit Sub Committee. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Trust. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.
30. At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.
31. Our standard audit approach is based on performing a review of the key financial systems in place, substantive tests and detailed analytical procedures. Tailored audit procedures, including those designed to address significant risks, were completed by the audit fieldwork team and the results were reviewed by the audit manager and audit partner. In performing our work we have applied the concept of materiality, which is explained earlier in this report.

Accounting systems and internal controls

32. During the course of our audit of the financial statements, we examined the principal internal

controls which the trustees have established to enable them to ensure, as far as possible, the accuracy and reliability of the Trust's accounting records and to safeguard its assets.

33. It should be noted that our audit was planned and performed in order to allow us to provide an opinion on the financial statements and it should not be relied upon to reveal all errors and weaknesses that may exist.
34. We are pleased to report that our work did not identify any system weaknesses.

Fraud and irregularity

35. Responsibility for preventing and detecting fraud and other irregularities lies with the trustees. We are not required to search specifically for such matters and our audit should not be relied upon to disclose them. However, we planned and conducted our audit so as to give a reasonable expectation of detecting any material misstatements in the financial statements resulting from improprieties or breach of regulations.
36. We are pleased to report that we did not identify any issues of concern in relation to fraud and irregularity.

Legality

37. We planned and performed our audit recognising that non-compliance with statute or regulations may materially affect the financial statements.
38. We are pleased to report that we did not identify any instances of concern with regard to the legality of transactions or events.
39. Under Section 46 of the Charities and Trustee Investment (Scotland) Act 2005, auditors have a responsibility to report items of material significance to the Office of the Scottish Charity Regulator (OSCR).
40. We did not identify any areas of material significance during our audit that required reporting to OSCR.

Going concern and subsequent events

41. We are required under International Standard on Auditing (UK) 570, "Going Concern" to consider the appropriateness of the trustees' use of the going concern assumption in the preparation of the financial statements, and to consider whether there are material uncertainties about the Trust's ability to continue as a going concern which needs to be disclosed in the financial statements.



42. The term "subsequent events" is used to refer to events occurring between the year-end date of the financial statements and the date of the auditor's report. International Standard on Auditing (UK) 560, "Subsequent events" requires us to assess all such matters before signing our audit report.
43. In order to gain assurance on these matters our work has included (where applicable):
- reviewing bank facilities;
 - a review of budgets covering a period of 12 months from the expected signing of the audit report, together with post year end management accounts;
 - a review of minutes of post balance sheet Board meetings;
 - enquiring of senior management concerning litigation, claims and assessments; and
 - performing sample testing of post balance sheet transactions.
 - consideration of the impact COVID-19 has had on the organisation.

highlighted in the financial statements, the current funding agreement with East Ayrshire Council covers up to 31 March 2021. In the Board's opinion, the Trust will be able to continue for the foreseeable future.

45. No subsequent events were identified requiring amendment to or disclosure in the financial statements. We will update this review at the date of signing the financial statements.

Other matters identified during our audit

46. We have no other matters to report.

Qualitative aspects of accounting practices and financial reporting

47. During the course of our audit, we consider the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements. The following observations have been made:

44. We confirm that there are no issues affecting the Trust's ability to continue as a going concern. As

Qualitative aspect considered	Audit conclusion
The appropriateness of the accounting policies used.	We have reviewed the significant accounting policies, which are disclosed in the financial statements, and consider these to be appropriate to the Trust.
The timing of the transactions and the period in which they are recorded.	We did not identify any concerns over the timing of transactions or the period in which they were recognised.
The appropriateness of the accounting estimates and judgements used.	We are satisfied with the appropriateness of accounting estimates and judgements used in the preparation of the financial statements. The principal area of accounting estimate and judgement is the valuation of pension assets/liabilities. The valuation of the defined benefit pension liability is provided by the Trust's actuary, Hymans Robertson. We evaluated the competence, objectivity and capability of management experts in line with the requirements of ISA (UK) 500 and concluded that use of the expert is appropriate.
The appropriateness of the going concern assumption	We have reviewed the financial forecasts for 2020/21. Our understanding of the legislative framework and activities undertaken provides us with sufficient assurance that the Trust will continue to operate for at least 12 months from the signing date.
The potential effect on the annual accounts of any uncertainties, including significant risks and related disclosures that are required.	We have not identified any uncertainties, including any significant risk or required disclosures, which should be included in the annual accounts.



Qualitative aspect considered	Audit conclusion
The extent to which the annual accounts have been affected by unusual transactions during the period and the extent that these transactions are separately disclosed.	From the testing performed, we have not identified any significant unusual transactions in 2019/20.
Apparent misstatements in the annual report or material inconsistencies with the financial statements.	Our review of the Annual Report did not identify any material misstatements or inconsistencies with the financial statements.
Any significant annual accounts disclosures to bring to your attention.	There are no significant annual accounts disclosures that we consider should be brought to your attention.
Disagreement over any accounting treatment or annual accounts disclosure.	There was no material disagreement during the course of the audit over any accounting treatment or disclosure.
Difficulties encountered in the audit.	There were no significant difficulties encountered during the audit.



3. Appendices



Appendix 1: Respective responsibilities of the Board and the auditor

Responsibilities of the Trustees

Under legislation relating to charities in Scotland, the trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of its incoming resources and application of resources, including its surplus or deficit for that year, and which have been properly prepared from and are in agreement with the accounting records of the Trust and comply with relevant disclosure requirements.

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the Trust's financial position and enable them to ensure that the financial statements comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees also have general responsibility for taking such steps as are reasonably open to them to safeguard the Trust's assets and to prevent and detect fraud and other irregularities.

Responsibilities of the auditor

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Revised Ethical Standard 2016.

The audit includes the consideration of internal controls relevant to the preparation of the financial statements but we do not express an opinion on the effectiveness of internal control. The matters being reported are limited to those deficiencies in control that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Confirmation of independence

International Standard on Auditing (UK) 260, "Communication with those charged with governance" requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

In addition to the audit of the financial statements, Scott-Moncrieff provides accounts preparation services to the charity (previously commissioned by East Ayrshire Council). Preparation of the financial statements is not considered to impact on the Firm's independence due to the presence of informed management. We prepare the financial statements from the final trial balance provided by East Ayrshire Leisure. No significant disclosures, adjustments or estimates are decided by Scott-Moncrieff.

Scott-Moncrieff also provides tax and VAT services to the charity. All tax services are provided by independent partners and staff who have no involvement in the audit of the financial statements.

We can confirm that we have complied with the FRC's Ethical Standards. In our professional judgement the audit process is independent and our objectivity is not compromised. In particular there are and have been no relationships between Scott-Moncrieff and the Board and senior management that may reasonably be thought to bear on our objectivity and independence.

In our professional judgement the audit process has been independent and our objectivity has not been compromised.



Appendix 2: Audit differences

Adjusted differences

We identified the following adjustments during the audit. We have discussed these with management and have agreed that they should be incorporated into the financial statements:

Adjusted differences	SOFA		Balance sheet		Recognised gains and losses per SOFA	
	DR £	CR £	DR £	CR £	DR £	CR £
Charitable expenditure	(634,000)					
Other (net interest on defined benefit pension scheme)	(49,000)					
Actuarial gains/losses						2,097,000
Pension asset/liability			1,414,000			
<i>Being incorporation of actuarial information into the financial statements.</i>						
Creditors			37,243			
Income	(37,243)					
<i>Being net adjustment to remove deferred income in 2019/20 and adjust for 2018/19 deferred income</i>						
Debtors			33,709			
Income		33,709				
<i>Being recognition of the Job Retention Scheme income as it relates to 2019/20</i>						
Reserves			18,233			
Income		18,232				
<i>Being adjustment for Museums and Galleries Tax Relief noted in reserves for budgetary purposes</i>						
Reserves			13,380			
Charitable expenditure		13,380				
<i>Being adjustment for reimbursement back to reserves from Cultural services (reported for budgetary purposes)</i>						
Charitable expenditure		220,000				
Pension asset/liability			220,000			
<i>Being adjustment for revised Actuarial report (in respect of McCloud)</i>						
Net impact on income/expenditure			(£434,922)			
Net expenditure per the Trust's management accounts			(£166,489)			
Revised net (expenditure) per audited financial statements			(£601,411)			



Appendix 3: Review of financial performance

The table below summarises the financial performance of the Trust for the year ended 31 March 2020:

	2020 £	2019 £	Commentary												
Total income	7,202,738	7,029,527	The management fee received from the Council in 2019/2020 was higher than the prior year (£4,829,955 in 2018/19 in comparison to £4,945,950 in 2019/20).												
Total expenditure	7,804,149	8,387,871	Overall expenditure has decreased in comparison with the previous year. The impact from the incorporation of the actuarial pension liability has decreased total expenditure. In 2019/20 £463,000 costs were incorporated into the financial statements in comparison to £1,049,000 in 2018/19 of which the following impacted on staff costs:												
			<table border="1"> <thead> <tr> <th></th> <th>2020 £</th> <th>2019 £</th> </tr> </thead> <tbody> <tr> <td>Superannuation</td> <td>669,753</td> <td>673,251</td> </tr> <tr> <td>Adjustment for actuarial information</td> <td>414,000</td> <td>1,048,000</td> </tr> <tr> <td>Pension costs</td> <td>1,083,753</td> <td>1,721,251</td> </tr> </tbody> </table>		2020 £	2019 £	Superannuation	669,753	673,251	Adjustment for actuarial information	414,000	1,048,000	Pension costs	1,083,753	1,721,251
	2020 £	2019 £													
Superannuation	669,753	673,251													
Adjustment for actuarial information	414,000	1,048,000													
Pension costs	1,083,753	1,721,251													
Net income/ (expenditure)	(601,411)	(1,358,344)													
Funds:															
Unrestricted	131,070	199,858	The Board approved a revised Financial Reserves Policy in February 2020. The policy was amended from a range of 3-5% of incoming resources (approx. £210k - £350k) to a minimum of 2% (approx. £140k) as the target for unrestricted funds not committed. This target has been achieved and the appropriate level of reserves is now in place.												
Designated	54,530	86,910													
Pension reserve	9,000	(1,625,000)	At 31 March 2019, East Ayrshire Leisure showed a net pension liability of £1,625,000. By 31 March 2020 this had decreased to a net pension asset of £9,000. The key factor in the decrease in the reported pension position is the financial assumptions applied; in particular the pension increase rate and salary increase rate, both of which have reduced in comparison to the prior year. The net pension position also includes the impact of the McCloud judgement as explained at paragraphs 16 – 19 which has resulted in a past service gain of £220,000.												
			As sponsoring authority, East Ayrshire Council has guaranteed to accept liability for any unfunded costs which may arise with regard to the Trust relating to their membership in the local government pension scheme, should they cease to exist.												
Restricted funds	63,250	100,493													
Total funds	257,850	(1,237,739)													



Appendix 4: Draft Letter of representation: East Ayrshire Leisure

DRAFT LETTER OF REPRESENTATION: EAST AYRSHIRE LEISURE

This representation letter is provided in connection with your audit of the financial statements of East Ayrshire Leisure for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice.

By a resolution of the board, passed today, I am directed to confirm to you, in respect of the financial statements of the charity for the year ended 31 March 2020, the following:-

Financial statements and accounting records

1. We have fulfilled our responsibilities under the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 for preparing financial statements which give a true and fair view in accordance with UK Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and for making accurate representations to you.
2. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. Except as disclosed in the financial statements, the results for the year were not materially affected by:
 - any change in accounting policies;
 - transactions of a type not usually undertaken by the Trust;
 - circumstances of an exceptional or non-recurrent nature; or
 - charges or credits relating to prior periods.
5. All grants, donations and other incoming resources, the receipt of which is subject to specific terms and conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.
6. All income has been recorded, all restricted funds have been properly applied and all constructive obligations have been recognised.
7. We confirm that there were no restrictions over the donations received and applied to the purchase of the Eglinton Statue.
8. We have reviewed going concern considerations and are satisfied that it is appropriate for the financial statements to have been drawn up on the going concern basis. In reaching this opinion we have taken into account all relevant matters of which we are aware, including the expected impact of COVID-19, and have considered a future period of at least one year from the date on which the financial statements are to be approved.
9. We have also considered the adequacy of the disclosures in the financial statements relating to going concern and are satisfied that sufficient disclosure has been made in the financial statements in order to give a true and fair view.
10. We confirm the financial statements are free of material misstatements, including omissions.



Fraud

11. We acknowledge as trustees our responsibilities for the design and implementation of internal control in order to prevent and detect fraud and to prevent and detect error.
12. In our opinion, the risks that the financial statements may be materially misstated as a result of fraud are low for the following reasons:
 - Measures have been put in place by management to reduce the risk of fraud and the improper use, or misappropriation of assets.
 - The board undertakes a formal risk review at least once a year, covering a wide range of risks associated with governance, operations, finance and compliance. The risk of fraud and misuse of assets is specifically included in that review.
13. We have disclosed to you all information in relation to fraud or suspected fraud of which we are aware and that affects the entity and involves:
 - management
 - employees who have significant roles in internal control
 - others where the fraud could have a material effect on the financial statements.
14. We are not aware of any allegations of fraud or suspected fraud with a potential effect on the financial statements which have been communicated to us by employees, former employees, regulators or other third parties.

Compliance with laws and regulation, and contractual agreements

15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
16. The Trust has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

Accounting estimates

17. In our opinion the significant assumptions used by us in making accounting estimates are reasonable.

Related parties

18. We have disclosed to you the identity of the charity's related parties and all related party relationships and transactions of which we are aware.
19. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of UK Generally Accepted Accounting Practice.
20. In particular, no trustee, shadow trustee, their connected persons or other officers had any indebtedness, agreement concerning indebtedness or disclosable interest in a transaction with the Trust at any time during the year.

Assets and liabilities

21. The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements:
 - losses arising from sale and purchase commitments;
 - agreements and options to buy back assets previously sold;
 - assets pledged as collateral.



- 22. We have disclosed to you all known actual or possible litigation or claims whose effects should be considered when preparing the financial statements and that they have been accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice.
- 23. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- 24. We have no plans to abandon activities or other plans or intentions that will result in any excess or obsolete stocks, and no stock is stated at an amount in excess of net realisable value.
- 25. The Trust has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets, other than as disclosed in the financial statements.
- 26. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and all guarantees that we have given to third parties.

Subsequent events

- 27. All events subsequent to the date of the financial statements and for which UK Generally Accepted Accounting Practice require adjustment or disclosure have been adjusted or disclosed. Should any material events occur which may necessitate revision of the figures included in the financial statements or inclusion in the notes thereto, we will advise you accordingly.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

.....
Signed on behalf of the board

On..... (date)

The above trustee is signing this letter on behalf of all trustees confirming that:

- so far as each trustee is aware, there is no relevant audit information of which the Trust is unaware; and
- each trustee has taken all the steps that ought to have been taken as a trustee, including making appropriate enquiries of fellow trustee and of the Trust for that purpose, in order to be aware of any information needed by the Trust's auditor in connection with preparing their report and to establish that the Trust's auditor is aware of that information.

