

East Renfrewshire Culture & Leisure Ltd

(A company which is a Scottish Charity (Scottish Charity Number SC0045726) incorporated in Scotland under the Companies Act with company number SC486489)

Minute of a Meeting of the Board of Trustees of East Renfrewshire Culture and Leisure Ltd.

Room 4 Eastwood House on Tuesday 4th June 2019 at 3.30pm

- Present: Councillor Colm Merrick (Depute and acting Chair) (CM)
Councillor Paul O’Kane (PO’K) from 4.00pm
Councillor Barbara Grant (BG)
Provost Jim Fletcher
Professor Grant Jarvie (GJ)
Steven Larkin (SL)
Andrew Allan (AA)
Rob Crusher (RC)
- Attending: Anthony McReavy, Chief Executive (AMcR)
Karen Storie, Director of Finance and Commercial Services (KS)
Mark Ratter, Head of Education Services on behalf of Mairi Shaw (MR)
Margaret McCrossan, Head of Accountancy, ERC, (MMcC)
Jude Smith, Marketing Manager
Liz Anderson (minute)
- Apologies: Dr Noreen Siddiqui

1. Welcome & Introductions

The Chair welcomed everyone to the meeting and introduced Councillor Jim Fletcher and Rob Crusher.

2. Preliminaries (Including Apologies and Quorum)

Apologies were received from Dr Noreen Siddiqui.

The meeting is quorate.

3. Board appointments and resignations

A formal vote was cast to accept RC & JF onto the Board, there were no objections and both were welcomed. Prior to formal Board approval, the proposed Trustees had been approved by the Nominations Committee and ERC, in line with the governance requirements.

Nominations were sought for the position of Chair, as per the Articles. AA nominated GJ; this is seconded by BG and the position was accepted by GJ. CM handed over the meeting to GJ. GJ thanked the board, and stated he was happy to accept and looking forward to continuing working with ERCLT Board.

The position on the H&S, HR & Appeals committee which was previously held by JW was now vacant. GJ nominated RC; SL seconded the vote, RC accepts the position.

GJ asked that Agenda Item 11 was brought forward to allow the guest presenter to leave rather than stay in attendance until the end.

11. Marketing Presentation

Jude Smith, ERCL Marketing Manager provided an overview of the planned Marketing activities for 2019/20 which primarily focuses on the marketing campaigns for Gyms and Fitness and Swimming programmes. In addition, there has also been ongoing work in the promotion of National Theatre Live (NTL) shows, the launch of Swimming Direct Debits (with an uptake of 37% to date) and the Holiday programme.

JS noted that the NTL shows at Eastwood Park Theatre have been hugely successful. (Eastwood is one of the only local-authority owned theatres to offer this, thanks to investment from ERC and the innovation of the Trust Arts Team.).

The Chair thanked JS for her presentation at which point JS left the meeting.

4. Minutes of Board Meeting 26 February 2019

The minutes of the Board meeting of 26 February 2019 were accepted.

5. Matters arising

Item 5/1

Action 5.1 – AMcR noted that parking continued to be an issue for customers, particularly at Eastwood Park and Clarkston Hall / Library. ERCL is limited in what it can do to resolve this – and enquiries are being directed to ERC / Councillors to raise the issue as they are responsible for parking and the associated Traffic Regulations Orders. BG advised that she gets complaints about the parking at Eastwood House, although AMcR noted that this is one location where, following the initial implementation of regulations, some additional spaces had been created.

Action 5.2 / 5.4 – Staff training – AMcR advised that this will be discussed at a future meeting nearer the end of the calendar year, following consultation with staff.

Action 5.3 - Swimming Programme presentation will take place at next board meeting.

Action 6 – Additional operational information had been provided to the FAR.

Action 8 – will form part of the Board Away Day, confirmed as 22 October 19.

Action 9 – AA currently considering content for meeting, after which it will be arranged

The remainder of the Action points were noted as closed by AMcR.

Vote of Thanks

GJ expressed gratitude to MW for her service to the Board on behalf of all of the Board Members, and this was unanimously agreed.

6. Chief Executive's Q4 Business Performance Update

Balanced Scorecard

Foundry pool closure affected the centre as a whole; library attendance, swimming lessons and gym figures were all down during the year, and though there was recovery in the latter part of the year the overall impact from the closure kept these behind target for the year. New competitors also undoubtedly had an impact.

JF asked if it was easy for non-paying customers to gain access to our gyms. AMcR replied that the gyms have controlled entry access which minimises the likelihood of this. In addition,

at the Foundry, controlled access gates are in the process of being installed which should further reduce this risk.

Community Sports

Community Sports courses bookings have improved with the new 'roll-over' process being implemented. However, the full year also showed a negative impact on attendances in part corresponding to the very good summer weather.

Libraries

An overview of the success story of the library service was provided, including an increase in virtual customers by 50%, an uplift in book issues to young people and whilst we have the lowest book budget of any service in Scotland, we have the fifth highest book issues per capita and the sixth most active borrowers.

Staff Recruitment

As noted previously, challenges in recruiting staff in certain roles continues to impact ERCL, which is also experienced in the sector nationally.

Following a discussion around a variety of new approaches which are being trialled to address the low up take, AMcR advised that ERCL operate an open recruitment policy and would welcome applications from all ages, but do not target advertising or recruitment currently.

The current vacancies included Business Support, Leisure Centre and Community Facility staff as well as some coaches and instructors, although swimming instructors had seen an improvement in securing roles in the period.

SL asked how we were managing operations and did this impact on staff leave. AMcR explained that casual staff have been required to cover, and whilst the freedom of staff to plan and take leave is always balanced with operational requirements, it has perhaps been a recent small spike in staff absence, which experienced an improvement in 2018, that the real impact is being felt.

AA asks how we measure performance and success. AMcR explained that there are a variety of indicators. ERCL are required to report to ERC on performance against key indicators including those statutory measures for which ERCL are responsible for delivering on behalf of the Council. These reports are submitted to the Full Council Meetings. Benchmarking of all local authority services (including those delivered under contract by ALEOs) is also measured via the Local Government Benchmarking Framework and CiPFA, and this is also reported to Council. The Business Plan is also approved by the Council, with services specified and agreed by both parties (together with any proposed changes in scale, scope or quality). There is room for some discretion for the Board and Management of ERCL, and targets for a number of areas are set by them as part of the budget and business plan. This would include, for example, the number of gym members.

AA asked, given that ERC is the single member of ERCLT, does ERCL's aspiration's fit with ERC's view? AMcR responded that the need for a clear delineated shared vision for the future as distinct for agreed immediate plans was a recognised need and appears as a noted risk for both ERCL and ERC.

MR noted that strategies produced for ERC by ERCL in relation to Arts, Heritage Libraries and Information Services and Sports and Physical Activity have objectives and key performance

indicators in them to measure success. MMc stated as well as monitoring ERCLT performance, the Council views it in the context of wider plans and objectives such as the Council Outcome Delivery Plan and Community Plans which ERCL support.

AMcR gave an example of benchmarking and reporting in relation to Libraries, from the annual CIPFA figures or Local Government Benchmarking Framework (LGBF) data provided to local authorities, although it was noted by BG that the LGBF had limitations due to the way in which it is compiled.

7. Report by Chair of Finance Audit & Risk Committee (FAR)

To present to the Board a summary of the 2018-19 financial position, including balance sheet and cash flow statement, with supporting commentary. The reports are presented from a full meeting of the FAR Committee on Tuesday 21 May 2019. All changes to the reports agreed at that meeting have been executed.

The report from the FAR Committee was delivered by AA as the Chair of the FAR Committee. KS then provided an overview of the financial papers in detail.

After discussion, the Board approved the following:

- a. *P13 Financial Commentary*
- b. *2019/20 Revised Budget*
- c. *2020/21 Capital Bids*
- d. *Top Risks*

Changes to risks on the register were noted and the top 6 risks were discussed.

The Board noted the unaudited net surplus of £291k for the full year (excluding adjustment for the actuarial pension valuation), and agreed the proposal to designate reserves for a number of business development, modernisation and transformation projects.

MMc noted that this was prudent and consistent with ERC approach. SL asks if there will be any changes to staff terms and conditions as part of the budget. AMc noted that there would not be.

MMc – noted that with the pay award having being agreed for a period of 3 years, this enabled better longer term planning

8. Wylie & Bisset Audit Planning

The Board is asked to approve the External Audit Plan for year ended 31 March 2019.

It was noted that the format and content of the audit planning memorandum was standard and the timelines will allow for the Annual Report and Accounts to be presented at the Board meeting scheduled for 20 August 2019.

The Audit Planning Memorandum was approved by the Board.

9. ERCL Services Review

A review of the Services provided to ERCL by ERC Property and Technical Services (PaTS) was discussed. It was noted that a number of the identified gaps in service may be closed out with the provision of the building enhancement fund: since the projects are in planning, this is yet to be drawn down. MMc confirmed that any unspent funding can be carried forward beyond financial year ends.

BG noted that it was important that ERC realise property condition and maintenance issues are affecting our business, and our customers' expect high standard.

JF asked about maintenance priorities and meeting customer requests. AMc explained the terms of the service level agreements laid out at transfer do not commit ERC to anything beyond a provision of wind and watertight buildings, hence the introduction of the enhancement fund.

MMc noted that with ERC buildings, the criteria are that they are wind & watertight and meet Health and Safety standards. However ERCLT have different priorities ie customers, and competition BG stated we need to emphasise our facilities need to be in pristine condition in order to sell our products eg gym membership / hall hire.

CM stated this is a good case for a new leisure centre.

JF agrees with BG on maintaining our facilities and says we need to urge the Council to be more proactive.

The board approved discussions with PaTS to continue.

10. SiB Joint Action Plan

AMcR provided an update on the progress made in delivering the action plan. A number of the actions are now closed, with the key finance actions dependent on the delivery of the core systems project. The Board approved the plan.

11. Press and PR

It was noted that the media activity during the period had been sent to the Board separately.

12. AOCB - AMc noted that ERCL had been excluded from the Redundancy Modification Order register and was appealing. ERCL and ERC risk registers were being amended to reflect this.

KS advised that although the company finished 2018/19 with a healthy operating surplus, the inclusion of the actuarial pension valuation in the accounts would mean a Letter of Comfort would be required from ERC to allow the Trustees to sign off the accounts on a going concern basis. MMc accepted that this was a technical accounting issue rather than one of financial performance and would progress with the Council.

Next meeting agreed for 20 August 2019
Away day confirmed as 22 October 2019