



SOUTH LANARKSHIRE LEISURE AND CULTURE LIMITED *A Company which is a Scottish charity (Scottish charity number SC032549) incorporated in Scotland under the Companies Acts with company number SC225702.*

Minute of Meeting of the Board of Directors of South Lanarkshire Leisure and Culture Limited (“the Company”) held on MS Teams; 2.30pm on Friday 30 October 2020.

1. Sederunt

Chair:

Cllr Peter Craig

Board Members:

Cllr Gerry Convery, Cllr Margaret Cooper, Michael McGlynn, Alan Morrison, Cllr Lynne Nailon, Stephen Smellie

In Attendance:

David Booth (General Manager)

Gillian Simpson (Development Advisor, SLC)

2. Apologies

Angela Beggan, Robert Craig, Craig Cunningham, Paul McCormick, Paul Manning, Johan Steele

3. Declarations of Interest

No Interests were declared.

4. Minutes of Previous Meeting

The minutes of the meeting of the Board held on Wednesday 2 September 2020 were submitted for approval as a correct record.

The Board: approved the minutes.

5. Matters Arising

The Board were advised that South Lanarkshire Council had provided the ‘letter of support’ advising a commitment to work towards remaining solvent, as discussed at the Board meeting on Wednesday 2 September 2020.

There were no other matters arising.

Monitoring Items:

6. Audit Committee

The Board was provided with a verbal update on business considered by the Audit Committee.

- ◆ The Audit Committee met before the Board meeting to sign off the Annual Accounts and Trade Accounts as well as discuss the Internal Audit Plan for 2020/21, the External Audit Plan and the Risk Register.
- ◆ Covid-19 has had an impact on the normal audit cycle for 2019/20 resulting in some delays in the process with one item progressing to the 2020/21 audit plan.
- ◆ The Internal Audit Plan for the remainder of 2020/21 will principally cover audit guidance regarding emerging risks as a result of Covid-19. Governance and controls, that may have previously been taken for granted, could be impacted with a higher risk of external fraudulent behaviour resulting from more business being online and different ways of working.

- ◆ External Audit advised there were no major issues highlighted in relation to the Annual Accounts and an unqualified audit opinion will be issued following Board approval.

The Board: noted the report.

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| Items for Decision: |
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| 7. Annual Report and Accounts 2019/20 |
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The Annual Report and Accounts 2019/20 for South Lanarkshire Leisure and Culture Ltd. were presented for Board approval.

- ◆ The Annual Report and Accounts will be submitted to Companies House and OSCR, once approved by the Board and signed by the Chair.
- ◆ The Board were asked to note the Audit Management Report from Azets Audit Services and approve the required Management Letters for issue to same.
- ◆ The following points were highlighted for the Board's attention:
 - SLLC's workforce as at March 2020 was sitting at a total of 1,075; 61% female and 39% male.
 - 48% of the workforce are in the 21-49 year age group.
 - SLLC's Gender Pay Gap for 2019 was 3.4%, almost 14% lower than the overall UK average.
 - Attendances were circa 8.5m, a 2% decrease on the same time last year. This is almost exclusively due to the Covid-19 lockdown in March 2020 with attendances on target until this point despite attendances being impacted by the Elections in December 2019 where some facilities were used as polling stations.
 - Six Local Government Benchmarking Framework (LGBF) indicators are reported with two in decline; cost per attendance at sports facilities and cost per library visit, three improving; cost per museum visit, library adult satisfaction rate and leisure facility adult satisfaction rate and one remaining steady; adult satisfaction rate with museums and galleries.
 - The postponed reopening of the Springhall Centre and Library was highlighted as an area where we did not perform as anticipated. The facility, now fully complete, was due to reopen in March 2020 but this has had to be postponed due to the Covid-19 lockdown.
- ◆ The year-end position was a break even despite a £650k loss in income with £149k received via the Job Retention Scheme and £365k from SLC in support through the pandemic. Energy and supplies reported an over spend of £20k and the trading account reported an £8k over spend, resulting in a total of £28k against the whole year.
- ◆ General reserves stand at £40k (£60k as at 31 March 2019).
- ◆ Strathclyde Pension Fund has moved back to an asset position of £1.968m for 2019/20.
- ◆ A Restricted Fund balance of £0.516m is available for initiatives funded by external organisations and partners, such as sportscotland.
- ◆ The Repairs and Renewals Fund stands at £0.358m. This is required to invest in business areas, predominantly health and fitness, and is reduced by £0.024m on last year due to the completion of various projects.

The Board: approved the report and accounts.

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| 8. Annual Accounts 2019/20 – SLL Trading Ltd. |
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The Annual Report and Accounts 2019/20 for SLL Trading Ltd. were presented for Board approval

- ◆ As with the Annual Report and Accounts for SLLC, the report for the Trading Company, covering the catering and vending service income, will be submitted to Companies House and OSCR, once approved by the Board and signed by the Chair.
- ◆ SLL Trading's profit to be donated to SLLC under the Gift Aid Scheme, as approved by the Board at the meeting on 19 February 2020, stands at £8k.
- ◆ Reserves for future use by the company currently stand at £18k.

The Board: approved the report and accounts.

9. Business Development and Strategy Manager

The Board was presented with a report seeking approval for a change of role and remit of management posts, details of the need for post of Business Development and Strategy Manager and the recruitment process to be followed.

- ◆ Two Senior Management Team (SMT) positions have recently been vacated through retirement, namely, the Company Secretary and Business Development Manager, presenting an opportunity to review the SMT structure.
- ◆ In order to ensure sufficient management cover is achieved, it is proposed that both the Company Secretary and Business Development Manager posts be amalgamated to form a Business Development and Strategy Manager.
- ◆ By combining these posts, the aim is to attract a candidate that will possess the requisite strategic and governance skills as well as the business acumen to focus on the commercial side of SLLC, particularly in a post Covid-19 environment.
- ◆ There will be a saving of £50k achieved by combining these posts with grade placement on the same level as the Cultural Services Manager and Sport and Physical Activity Manager.
- ◆ As this will be a Board appointed post, further information will be issued to Board Members regarding timescales for recruitment, if approved.
- ◆ The post will be advertised to internal and external candidates.

The Board: approved the report.

Items for Noting:

10. Recovery Plan (Verbal Update)

The Board was provided with an update on the SLLC Business Recovery Plan.

- ◆ As reported at the previous Board meeting, some larger facilities have reopened; John Wright Sports Centre, Eastfield, Blantyre, Carlisle, and the pools at Hamilton Water Palace and the Dollan Aqua Centre for club use, swimming lessons and limited public lane swimming.
- ◆ Larger libraries remain open along with the addition of some medium sized libraries.
- ◆ Outdoor activities such as golf and children's football training and matches also continue however fitness classes have paused as a result of Level 3 restrictions as part of the Scottish Government Framework.
- ◆ Some outdoor bootcamp style classes are able to continue under the current guidance and these are on offer at Chatelherault Country Park, the John Wright Sports Centre and Hamilton Palace Sports Grounds.
- ◆ In addition, SLLC's online offering is being well received and SLLC are trying to be as innovative and fast moving as possible in terms of what we can offer, recognising the benefits and flexibility of pop-up services which can be reinstated quickly.
- ◆ Unfortunately, cinemas are restricted as part of the Level 3 guidance and therefore the pop-up cinema at Lanark Memorial Hall has had to be postponed until restriction levels change.
- ◆ At the meeting of the Recovery Board on 14 October, it was agreed that SLLC's recovery be paused with a view to assisting SLC fill gaps in provision and to assist the NHS with Track and Trace. Some Halls staff are already supporting Facilities Management, for example, to help keep schools open and SLLC staff are supporting flu vaccination centres as well as the Test Centre pop-up site at Low Parks Museum.
- ◆ The car park at Hamilton Palace Sports Grounds was initially requested by the NHS as the preferred centralised site for the Test Centre however a compromise was reached and it has been situated in the nearby car park at Low Parks Museum. SLLC have been working in conjunction with colleagues in the Health and Social Care Partnership to ensure services within the Museum can continue as normally as possible. The arrangement seems to be going well given the circumstances.
- ◆ With the Job Retention Scheme coming to an end, 169 temporary contracts that have been held for less than two years have had to be terminated as there is no work available at this time. Eighty temporary staff have been identified as playing critical roles and, therefore, these contracts have been extended on a month by month basis.

- ◆ There are a total of 641 permanent SLLC staff working on current business with 298 permanent employees seconded to cover SLC services. These numbers could increase depending on SLLC recovery or the requirement to staff emergency school care hubs if schools need to close.
- ◆ SLLC continue to contingency plan for the recovery of our own services especially where staff may have to isolate.
- ◆ The replacement to the Job Retention Scheme, which is named the Job Support Scheme (JSS), is being considered with a view to determining if SLLC can utilise this replacement support. Within the JSS eligible employees must be working up to one quarter of their contracted hours and this can be topped up but not to 100%. Community Leisure UK are currently seeking clarity on the scheme and, if appropriate, SLLC will submit an application.
- ◆ In terms of finances, the over spend of £58k based on continued recovery requires review as SLLC have now paused the opening of further services and with infections rates currently increasing, income is likely to wax and wane according to the public health situation.
- ◆ Additionally, if Lanarkshire is placed in Level 4, this would result in almost complete closure with the possibility of outdoor activities continuing however further guidance and clarity on this, as well as movement from areas placed in different levels, would need to be sought from the Scottish Government.
- ◆ SLLC Cultural Services were successful in attracting Arts Sector Relief Funding to the value of £250k to provide financial assistance to local tutors and promote arts development.

The Board: noted the report.

11. Cross Party Working Group (Presentation)

The Board was provided with a presentation and an update on the work of the Cross Party Working Group.

- ◆ The presentation provided a recap of work to date and the next steps for the CPWG.
- ◆ After a hiatus caused by Covid-19, the CPWG were presented with a Main Issues Report on 29 July 2020 which summarised the key learning points.
- ◆ Also at this meeting, in reviewing work to date including the original EKOS findings and the series of service profile reports provided to the CPWG, some emerging themes were identified such as downward trends in activity and the condition of assets, and were considered in identifying where priorities should rest.
- ◆ Subsequently a list of these themes were formally presented to the CPWG on 19 August 2020, namely:
 - Putting people and places at the heart of Service delivery
 - A focus on health, wellbeing and educational outcomes
 - A new approach to engagement based on a mix of delivery, facilitation and commissioning
 - A more central role in community planning
 - A focus on delivering services rather than managing assets
 - Recognition of the poor condition of many assets
 - Fewer overall but more co-located assets
 - Options for supported community asset transfer
 - A more flexible approach to market conditions
 - Strategic withdrawal from periphery markets/services
 - A new Governance model
 - A new streamlined pricing policy
- ◆ A series of guiding principles aligned to SLLC's strategic objectives (participation, people, partnership, pound) were agreed and will form the basis of a draft strategic framework which will set out the required direction of travel for SLLC.
- ◆ The CPWG have requested a consultation process be developed to gather key stakeholder opinion on values and priorities which will also inform the framework. The consultation plan will be presented to the CPWG on 18 November 2020.
- ◆ Some concern was highlighted about the effect a full consultation would have on the timescale for conclusion of the work of the CPWG however Group Members were keen to proceed. Therefore, updates will continue to be communicated to the Board, Trade Unions and, particularly, SLLC staff to alleviate any uncertainty around the process.

- ◆ Detailed proposals on a service by service basis will be put to the CPWG for consideration at future meetings.
- ◆ Full Board consultation will take place before any final decisions are made and presented to SLC's Executive Committee.

The Board: noted the update.

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| 12. AOCB |
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- ◆ **Budget Setting Season** – SLLC will submit savings along with other South Lanarkshire Council Resources with the timing of Board updates following a similar timescale to previous years. It may prove necessary to arrange a special meeting of the Board to review savings proposals.
- ◆ **Festive Opening Hours 2020/21** – Board approval was sought and approved for the General Manager to be flexible with festive opening hours in light of the Covid-19 pandemic.

Date of Next Meeting

The next meeting is scheduled for 3pm on Wednesday 25 November 2020 on MS Teams.

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Chair