Minutes of Meeting of the Board of Directors of South Lanarkshire Leisure and Culture Limited ("the Company") held at Hamilton Town House; 3pm on Wednesday 6 September 2017.

1. Sederunt
   Chair:
   Cllr David Watson
   
   Board Members:
   Angela Beggan, Robert Craig, Lorraine Graham, Michael McGlynn, Cllr David McLachlan, Alan Morrison, Cllr Lynne Nailon, Stephen Smellie, Ronnie Smith, Johan Steele
   
   In Attendance:
   Gerry Campbell (General Manager), Paul Barton (Company Secretary), Paul Manning (from agenda item 12)

2. Apologies / Declarations of Interests
   Apologies: Lindsay Freeland
   No interests were declared.

3. Minutes of Previous Meeting
   The minutes of the meeting of the Board held on 21 June 2017 were submitted for approval as a correct record.
   
   The Board: decided that the minutes be approved as a correct record.

4. Matters Arising
   There were no matters arising.

Presentation:

5. Annual Report
   An overview of the Annual Report for 2016/17 was presented highlighting SLLC’s achievements over the last 12 months.
   
   ♦ Two short films formed part of the presentation showcasing Activage activities as well as Chatelherault, with details of planned improvements to the landscape, involving the culling of a number of trees leading down into the Avon gorge.
   ♦ Community and Enterprise Resources are completing the works with the timber being sold to offset any costs.
   ♦ Environmental issues had been considered and the Board were assured that the works were all about the rejuvenation of the area, returning to indigenous tree species. Works are being project managed by Greenspace.
   ♦ Customer feedback in relation had been positive so far.
   ♦ The existing trees in the park presented a hazard as they often come down in high winds blocking paths.
   ♦ The increase in user traffic at Chatelherault and, in particular, issues with cyclists using the pathways and related safety concerns were acknowledged.
   ♦ The improvements were noted to be the right move strategically as Countryside income was currently helping to offset the shortfall in SPA.
Future plans to showcase Chatelherault as a venue not only for weddings but for Corporate days and private events was noted.

**Monitoring Items:**

6. **Performance Report – 1st Quarter 2017**

The Board were guided through the report for the first Quarter of 2017/18.

- Although a few areas are currently behind target, this was not a deemed to be a concern at this point in the year. Attendances for Outdoor Recreation and Country Parks were showing an increase on last year.
- Customer complaints and suggestions were brought to the Board’s attention and it was noted that SLLC continue to use this feedback to improve our services.
- It was noted that although a number of FOI requests were from Solicitors, SLLC was not subject to any legal action. These companies were working on behalf of their clients and are not necessarily related to any claims against SLLC.
- The request for pay records for staff members had been initiated by the individuals concerned, through their Solicitor, and therefore SLLC had not been in breach of the Data Protection Act in disclosing this information.
- The Board were informed that SLLC can charge for providing information requested.
- A suggestion was tabled to rename the customer complaints section to customer feedback, and thereafter separating complaint information from customer suggestions.
- The Board received an update on the budgetary position, currently showing an underspend of £1k and flagged some areas of concern regarding underlying trends which may be more apparent in the next quarters report.
- Coalburn and the ongoing deficit in relation to this site was discussed. It was noted that despite previous assurances from SLC that consideration would be given to providing assistance, £200k annual running deficit would have to be absorbed by SLLC.
- Coalburn is a well used facility and closure would present issues for local residents having to travel to Lanark.

**The Board:** noted the Quarterly Report and agreed to the recommended amendments to the Customer Complaints section.

7. **Audit Committee Update**

The latest Audit Committee update report was tabled to provide the Board with an update on business considered by the Audit Committee.

- The Board were updated on the recent work of the Audit Committee, the main focus being income analysis.
- Work is ongoing in relation to the Museums facility audit and that the Risk Register Review had been put back to the November meeting.
- The Internal Audit Report was highlighted as having exposed potential weakness in that unapproved suppliers were being used. SLLC’s Finance Manager to provide a report detailing where unapproved suppliers have been used by SLLC.
- The Board were updated on the Alliance Leisure procurement process.

**The Board:** noted the Audit Committee update.

**Items for Decision:**

8. **Employee Recognition – 2nd Quarter 2017**

The Board were advised that the Employee Recognition Panel had recommended the following nominations for consideration:

**Individual Category:**  
George Hebenton, East Kilbride Central Library

**Team Category:**  
Gym Staff, Hamilton Water Palace
The Board were taken through the new process for Employee Recognition, advising that future winners will be decided by a group of their peers and the results reported in the Quarterly Report.

It was agreed that the Board will be kept informed of future employee nominations.

Congratulations were noted to staff at East Kilbride Central Library who had recently achieved 100% feedback from a Mystery Shopper exercise.

It was noted that employee nomination information could be reported alongside customer comments and complaints in the quarterly report.

There was discussion around the winning team nomination at HWP and the potential for Social Work and SLLC to work in partnership. The Executive Director of Health and Social Care has been made aware of this nomination.

The Board: approved the nominations and agreed to the update in procedure for future Employee Recognition nominations.


The Annual Report and Accounts 2016/17 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.
- The Board were asked to note the substantial negative change in SLLC’s share of the Strathclyde Pension Fund, stating that this was outwith our control.
- All other balances were as they should be, with £840k in Restricted Funds and the Repairs and Renewals Fund at £0.568m.
- The Strathclyde Pension Fund figure rising from £9m to £25m is believed to be a short term rise and that the Fund had actually been performing well. The figures are provided by the pension fund actuary and agreed by all scheme members.

The Board: approved the report and accounts.

10. Annual Accounts 2016/17 – SLL Trading Ltd.

The Annual Report and Accounts 2016/17 for SLL Trading Ltd. were presented for Board approval

- The report for the Trading Company was described as a miniature version of the Annual Accounts for SLLC covering the catering and vending service income.
- SLL Trading had made a profit of £50k which was donated to SLLC under the Gift Aid Scheme, as approved by the Board at the meeting on 15 February 2017.
- Reserves currently stand at £18k.

The Board: approved the report and accounts.

11. Award of Catering Contract Calderglen Country Park

A report was tabled to advise the Board of the outcome of the cafeteria tender arrangements at the Calderglen Country Park, East Kilbride highlighting, in particular, the increase in the value of the contract.

The Board: approved the report.

Items for Noting:

12. Service Review – EKOS Update

The Board were thanked for their input in the EKOS discussions at the meeting held on Wednesday 16 August 2017. EKOS had commended SLLC on the robustness of the data provided to them in order to carry out their review.
An update meeting has been scheduled with SLC, SLLC and EKOS following their consultation with the Board. EKOS will also be consulting with SLLC’s partners, national agencies and key SLC contacts as part of their review with an update on these discussions expected to be fed back to SLLC in one months time. It was highlighted to the Board that the review could form a framework for a new SLLC strategy.

The Board were assured that there would be open dialogue between SLC and the Directors following the EKOS review, with the opportunity for further discussion before any decisions are made.

AOCB:

13. Barclay Report

- The Board were advised of the current situation in relation to the Barclay Report. There had been no consultation with any Trusts. The recommendation from the Barclay review regarding rates relief for ALEOS had been proposed to commence from 1 April 2018. Unfortunately, the opinion is that ALEOS were set up as a tax avoidance scheme when, in reality, these particular efficiencies are only one advantage of being an ALEO. The role of SLLC has vastly developed over the years and the Trust contributes towards many objectives across the community.

- Discussions were ongoing with all Trusts in Scotland working together to discuss the implications of removing rates relief and in the meantime the April 2018 deadline had been removed.

- Sporta (National Association of Leisure and Culture Trusts) were working to provide a robust response to demonstrate the impact of this change and passing it to the Scottish Government.

- The Board were advised that, as fitness gyms are only one part of the organisation, it is expected that OSCR will continue to support the charity status. If SLLC were focussed on fitness gyms alone, it would likely be revoked.

- The argument from the Barclay report, in terms of the removal of rates relief, is one of inequality. With the figure for SLLC sitting at around £3m, added to other financial pressures, the removal of this would be tough to take. At this point, there is no clarity as to which of the proposals contained in the report will be agreed by the Scottish Government.

- The Board will be kept up to date on any developments in relation to this.

Date of Next Meeting
The next meeting is scheduled for 3.30pm on Wednesday 22 November 2017 at Newton Farm Community Wing.

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Chair