



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 at the Townhouse Hamilton; 3pm on Wednesday 19 February 2020.

1. Sederunt

Chair:

Cllr Peter Craig

Board Members:

Angela Beggan, Cllr Gerry Convery, Cllr Margaret Cooper, Paul McCormick, Michael McGlynn, Alan Morrison, Stephen Smellie

In Attendance:

David Booth (General Manager)

Paul Barton (Company Secretary)

The Chair welcomed David Booth to the Board following his appointment as the new General Manager of SLLC Ltd.

2. Apologies

Apologies: Craig Cunningham, Robert Craig, Paul Manning, Cllr Lynne Nailon, Johan Steele

3. Declarations of Interest

Declarations of Interest forms were distributed to Board members for completion and return. SLLC’s External Auditors, Scott Moncrieff, request that these are collated on an annual basis.

Items for Noting:

Paul Barton recused himself for the following agenda item.

4. Front of House IT Systems

The Board were provided with an update on the SLLC IT Front of House System contract and the proposed review of IT systems.

- ◆ A twelve month extension to the current support and maintenance agreements was recommended to facilitate a review of the IT systems.
- ◆ Currently, SLLC operate four separate systems with individual databases, therefore, an integrated system is being sought to bring SLLC IT systems up to date with a view to improving the customer journey and streamlining back office work practices.
- ◆ A working group has been convened to review the specification required for the new system in conjunction with SLC’s ICT Services to ensure all available options are considered, including SLC systems.
- ◆ The specification review is expected to be complete by June with the affordability considered and determined by August and a further update available for the Board meeting in September.
- ◆ SLLC Officers continue to work with SLC to investigate funding sources to cover the costs of the new IT system as investment will be required. Extending the current maintenance agreements can be met within existing budgets.
- ◆ NHS are investigating their own data sharing arrangement therefore the benefits of consulting with partners in the Health and Social Care Partnership will be considered.

The Board: noted the report.

5. Minutes of Previous Meeting

The minutes of the meeting of the Board held on 27 November 2019 were submitted for approval as a correct record.

The Board: approved the minutes.

6. Matters Arising

The Board noted the update on the legislation governing the provision of libraries, sport and culture. There were no other matters arising.

Monitoring Items:

7. Performance Report – 3rd Quarter 2019/20

The Board were guided through the report for the third Quarter of 2019/20.

- ◆ Cultural Services and Sport and Physical Activity reported significant drops in attendance largely due to the elections in December and closures at Hamilton Water Palace and the Dollan Aqua Centre. Although income was generated during the elections, the footfall does not contribute towards attendances.
- ◆ All FOI requests were answered within the timescale with partial refusals where SLLC did not hold the information requested.
- ◆ The new Springhall Centre and Library is expected to open late March or early April. Springhall Hall has been undergoing refurbishment and will rehouse Cathkin Library in this new integrated facility. This will be a significant improvement for the community particularly users of Cathkin Library which was situated on the first floor of the old premises and not easily accessible for some users.
- ◆ The Libraries Service hosted another successful Book Week with over 1.4k participants attending events and over 2k free books distributed.
- ◆ Rutherglen Town Hall welcomed over 2k visitors to a two day Christmas Market which continues to be a very popular event.
- ◆ Following on from last year's successful event, a group of volunteers once again opened Rutherglen Library on Christmas Day with 115 people visiting the facility.
- ◆ South Lanarkshire Lifestyle Eastfield launched a new family friendly swimming session for people with autism. The sessions have been successful so far and it is hoped with continued success that these sessions will grow.
- ◆ An unexpected increase of 1.5k attendances compared to last year was reported for the annual fireworks display at Strathaven Park.
- ◆ Professional football club Queen of the South have extended the agreement with SLLC for use of Hamilton Palace Sports Grounds as their main team training base for a further three years. This has had a positive impact on the reputation of the facility and it is hoped this will attract more customers.
- ◆ A health intervention pilot aimed at identifying people with undiagnosed high blood pressure has been trialled in Clydesdale with a positive effect in the community. Early diagnosis is significantly advantageous for individuals to help prevent other health problems. SLLC staff work in partnership with NHS staff visiting homes as part of the Physical Activity Prescription initiative which is expected to extend to other areas after this successful pilot.
- ◆ A number of employee recognition nominations were reported for the quarter with the team at Carluke Leisure Centre being voted the winners for their quick response in saving a young customer's life. Although not an everyday incident, staff are trained for this type of situation and are to be commended for their quick thinking. Thankfully the customer returned to swimming quickly thereafter with no ill effects from the incident. The Board thanked the team for their professional approach and, indeed, congratulated all nominees for their contribution to SLLC's excellent customer service standards.
- ◆ The issue of fireworks debris being left in SLLC's country parks will be investigated with a view to both SLLC and SLC staff working in conjunction to ensure the situation is remedied.

The Board: noted the report.

8. Audit Committee Update

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

- ◆ Internal Audit provided an update on work so far with all items on track and no issues highlighted with activity more based on how we can improve activities.
- ◆ No issues were raised in terms of procurement.
- ◆ It was highlighted that it would be useful to have more Board members on the Audit Committee therefore a report will be brought to a future Board meeting to outline the process.

The Board: noted the report.

Items for Decision:

9. Financial Update

The Board was presented with a report to highlight the financial position to the end of December 2019 and explain actions being taken.

- ◆ A projected overspend of circa £0.033m was reported at the November Board meeting. Unfortunately, due to closures at two major wetside facilities, Hamilton Water Palace and the Dollan Aqua Centre, the over spend position at the end of December is £0.115m.
- ◆ The expectation is that this should not increase during the January to March period.
- ◆ SLLC are in discussions with SLC to seek permission for SLC to reimburse lost income from maintenance closures with a report to be taken to SLC on 25 March 2020. SLLC will respond from there based on the decision taken.
- ◆ Should the decision be in SLLC's favour, the over spend position will be around £0.025m which would be managed from general reserves or a potential reduced payment to the repairs and renewals fund by a portion, depending on the condition of the fund at the end of the financial year.
- ◆ If SLC are unable to assist, other options will need to be considered. Year end accounts will be finalised by the end of July and the hope is not to come back to the Board in May to report an unattainable position.
- ◆ Insurance covered repairs and lost income at the Dollan Aqua Centre during closure due to vandalism however other repairs were undertaken that had been waiting until a closure which were not covered by the policy. Work started immediately however this increased the closure timescale by one month therefore there was one month of direct debits for swimming lessons that could not be collected. Pool income was offset by staff savings. The cost to empty and refill a pool is £8-9k.

The Board: approved the report.

10. Gift Aid 2020

The Board was presented with the standard report seeking permission to gift aid surplus funds from SLL Trading Ltd. to parent Company, South Lanarkshire Leisure and Culture Ltd, thus mitigating the corporation tax rate of 19%.

- ◆ Every year, profits from the Trading Company are donated to the parent company SLLC therefore any profits as at 31 March 2020 will be awarded to the forwarding financial year 2020/21.

The Board: approved the report.

11. Legal Advisors

The Board was presented with a report advising of the requirement to appoint a legal services provider in accordance with procurement regulations.

- ◆ As part of the ongoing procurement review report to the Audit Committee, it was highlighted that the contract for SLLC's legal services had never been procured and, on that basis, the tender process had been triggered.
- ◆ Shepherd and Wedderburn have been SLLC's legal advisors since the Trust's inception in 2001.
- ◆ As SLLC are unable to access the Scottish Government Framework for the Provision of Legal Services, this will be an SLC led procurement exercise as part of their 2020/21 Service Plan.
- ◆ Expenditure for 2018/19 was reported as being significantly higher in comparison to others and it was clarified that this was an accumulation of invoices over the period.
- ◆ Board members have a right to seek legal guidance in relation to their membership of SLLC as per the Articles of Association and individuals can act on behalf of the Board without seeking full Board permission.
- ◆ In terms of accessing legal advice, it would be common for the Board members to advise the Company Secretary of their intention to contact SLLC's legal advisors but uncommon for the Company Secretary to advise that it would be inappropriate to do so.
- ◆ The Board were assured that this was a particularly unique situation and access to legal advice had not been used frivolously.
- ◆ It was also clarified that SLLC must operate with independent legal advisors and are therefore unable to access services via SLC.
- ◆ The Articles of Association are under review, as part of the wider SLLC review, which will facilitate revisiting this aspect of the process.

The Board: approved the report.

12. Fitness Membership and Sales Training Contracts

The Board was presented with a report seeking approval to procure two fixed price contracts for marketing campaigns and sales and retention training.

- ◆ The existing contract with Alliance Leisure is due for renewal at the end of July however the proposal is for this contract to come to an end with no extension.
- ◆ To keep SLLC in a position where memberships are increasing, as has been the case over the last year, the proposal is to procure two fixed term contracts:
 - The first contract proposed covers marketing campaigns specifically to drive new sales using digital marketing strands such as social media and web based targeted marketing.
 - The second proposal is to seek a contract to provide two sales and retention training sessions per annum for relevant staff.
- ◆ These services are not able to be provided in-house due to the specialist nature of the technology and resources required.
- ◆ The proposed contracts are very much a stop gap to afford the General Manager and Senior Management Team time to work on better proposals and to set up an in-house expertise base so as not to rely on external parties, where possible.
- ◆ The current proposal is to tender for a two year period with a possible one year extension. This has been considered on balance in terms of not being tied into a lengthy contract versus a more expensive shorter term contract.
- ◆ The Board proposed to amend the time frame consideration to the tender to seek costings for a one year period with a possible one year extension.

The Board: approved the report on the basis that the time frame consideration be changed to a one year period with a possible one year extension, and

that a report be provided to the Board on the tender prior to the appointment of any contractor.

13. Marketing Plan 2020/21

The Board was presented with the Marketing Plan for 2020/21.

- ◆ The Marketing Plan for 2020/21 is essentially a holding plan for the coming year while the CPWG establish SLLC's strategic direction. An action plan for how the budget of £0.084m will be spent is outlined in the plan.

The Board: approved the report.

14. Biggar Little Festival

The Board was presented with a report outlining a request for support from the Biggar Little Festival (BLF) Committee.

- ◆ SLLC have in previous years provided support to the BLF Committee in the form of free lets and financial help with insurance costs.
- ◆ Due to financial pressures, 2020 will be the final year SLLC will provide assistance and therefore propose to offer three free of charge bookings at Biggar Municipal Hall to assist in offsetting some of the festival's operational costs.

The Board: approved the report.

Items for Noting:

15. Savings 2020/21

The Board was presented with a verbal update on the savings proposals to SLC for 2020/21.

- ◆ The Scottish Government have still to announce Council budgets however the proposed savings package presented to the Board in November will be considered by Elected Members on 26 February.
- ◆ The outcome of the savings proposed will be communicated to the General Manager and Company Secretary once known.

The Board: noted the report.

16. Gender Pay Gap Report

A report was tabled to advise the Board of the legal requirement for SLLC to provide Gender Pay Gap information and detail our position as at 5 April 2019.

- ◆ This is the third Gender Pay Gap report that has been submitted to the Board. The Pay Gap has slightly increased to 3.4% however this remains less than the national figure.
- ◆ All SLLC employees are paid by grade however there are some factors that will affect the pay gap such as first aid allowance payments, the childcare voucher scheme, enhanced leave and the cycle to work scheme.
- ◆ More female employees take advantage of salary sacrifice while more male employees receive first aid allowance payments, which are only paid where appropriate.

The Board: noted the report.

17. Springhall Integrated Facility

The Board was presented with a report to update on the progress of the new integrated facility and the position statement on staffing arrangements.

- ◆ Following the same model as Fairhill Lifestyles, Springhall Community Hall has been undergoing refurbishment to integrate Cathkin Library with the community hall.
- ◆ It is hoped that the new facility will have a significant impact on the local area.
- ◆ The facility will be managed by Cultural Services with the Libraries Team playing a supporting role.

The Board: noted the report.

18. AOCB

◆ None.

Date of Next Meeting

The next meeting is scheduled for 3pm on Wednesday 13 May 2020 at the Town House Hamilton.

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Chair