

MINUTES of the MEETING of the BOARD OF DIRECTORS of WEST LOTHIAN LEISURE LIMITED held within Head Office, Bathgate Leisure Centre on Thursday 14th December 2017.

Present – Cindy Brook (Chair), Bev Greer, Cllr Tom Kerr, Cllr. Chris Horne, Robert Montgomery, Cllr. Andrew Miller, Cllr. Harry Cartmill, Karen Anderson

Apologies – Cllr Angela Doran

In Attendance – Robin Strang, Mark Chambers, Billy Key, Eric Stafford, Heather Duncan (West Lothian Leisure) Jim Cameron, Paul Stark (West Lothian Council).

Action

1. QUORUM
The Chair advised that a quorum of members was present and the meeting could proceed as planned.
2. ADDITIONAL OR ANY OTHER COMPETENT BUSINESS TO BE CONSIDERED AT THE END OF THE MEETING.
Cindy advised there was one item she wished to discuss at the end of the meeting.
3. DECLARATIONS OF INTEREST
There were no declarations of interest to record.
4. MINUTE OF THE BOARD MEETING ON 26th October 2017 (attached)
The minute of the Board Meeting held on 26th October 2017 was accepted as a true and accurate record.

Matters arising:

Item 4: Robin updated Directors on the Cabinet Secretary (Derek Mackay's) decision not to remove rates relief from charities (recommendation 24 of the Barclay Review) such as West Lothian Leisure, although Mr. Mackay did say he plans to mitigate against rates relief for new Trusts or extended Trusts although it is not clear how this would be done and from when.

Item 5: Heather reported that the tendering process for an external auditor has begun and should be completed by the end of January 2018.

Item 7: Howden Park Centre has now had a full fire risk assessment, some items are still being progressed and Russell Brown is now working on a written evacuation procedure.

Decision: The minute was accepted as a true and accurate record.

5. MINUTE OF THE AUDIT & FINANCE SUB COMMITTEE ON 29th November 2017 (attached)

The minute of the Audit & Finance Sub Committee Meeting held on 29th November 2017 was accepted as a true and accurate record.

Matters arising: Cindy will contact Council Directors over the next few weeks to ascertain what can be organised between them to enable representation on the Audit and Finance Sub Committee.

Decision: The minute was accepted as a true and accurate record.

6. ACTION NOTE FROM THE FIVE YEAR PLAN BOARD BRIEFING SESSION ON 7th DECEMBER 2017

The Five Year Plan was discussed at a high level. Directors wish phase two of the plan to be started immediately (and it was noted that the Council, on Tuesday, nominated three officers to join the Group looking at phase two and that the terms of reference for the Group was agreed yesterday). Directors did, however, express concern at the accelerated timescale (15 January 2018) notified by the Council on Tuesday and have asked Robin to raise this with them. After some discussion it was agreed that a special meeting of the Board will be arranged in late January 2018 to consider the Plan. This will allow further work to be done on phases one and two. In the meantime feedback from Directors on phase one at the briefing session on 7 December will be used to update the plan and guide the work of the Senior Management Team. It was agreed that savings of £800k is aimed for.

RS

SMT

Cllr. Kerr commented that whilst every effort should be taken to reduce the deficit we should be careful not to destroy the company in doing so. It was also noted that there is no Council policy that requires every secondary school to have a swimming pool.

7. PERFORMANCE REPORT APRIL TO NOVEMBER 2017 (REP-0724) (attached)

Finance

Heather went through the finance report noting that we are projecting to be £63k behind target. Income and expenditure is being closely monitored so that we out turn on target.

Performance Dashboard

Robin went through the performance dashboard for the period from April to November 2017 highlighting that although income is below target customer visits were up by 3.3% on last year, much of this is from pay as you go customers and

customers who, instead of cancelling their membership, downgrade to a lower membership to stay with us.

The introduction of our new Concessionary Scheme earlier this year has proved a huge success with visits 2.1 times higher than last year.

Operations

Billy outlined the Operations content of the Performance Report highlighting membership sales and cancellation figures. He reported that our customer survey results are still well above the UK benchmark average of 48, with a NPS for Xcite overall of 63.

Business Development

Our most recent Membership promotion during our Black Friday and pre-Christmas sale achieved 285 new members.

Mark reported that the Council has now approved a capital sum for the IT provision for the recently transferred sites (so that the Council can 'switch off' their IT provision). The first sites will transfer their IT in January 2018 with a planned approach to have all WLC IT across to the WLL network by 31st March 2018.

With regard to the gym extension at Bathgate Leisure Centre, work has now begun and the planned opening in early March is on schedule.

The naming ceremony of the Jim Sibbald Pool in Armadale took place on 28th October, Jim's family and friends attended.

HR and Training

Eric explained the HR & Training section of the performance report highlighting the levels of attendance at training events to ensure high quality customer service and to maintain health and safety standards.

Eric advised that staff turnover is higher than it has been for many years and the situation is being closely monitored.

Risks

Robin went through the key risks to achieving performance targets. The biggest risk is the unprecedented competition in the West Lothian area. In addition to the new gym facilities which have opened this year, there are also new dance facilities, kids play areas, trampoline and gymnastic centres. That being said, we are still the largest sports operator in West Lothian with over 19,000 members.

Decision: To note the report and that measures will continue to be taken to get us back on budget.

8. REVIEW OF RISK POLICY (REP-0725) attached
The Risk Management Policy and Risk Register Procedure is reviewed regularly. Robin presented an updated policy for approval.

Decision : To approve the updated policy

9. REVIEW OF RESERVES POLICY (briefing by Head Of Finance)

Heather noted that we need to change our Reserves Policy to reflect the current climate that we are operating within. Since the last policy review we have become a Company Limited by Guarantee with WLC as sole member (and thus our need for reserves has changed). Heather suggested that we aim to build reserves up to cover one month of costs. Chris suggested 3 months of trading is a common level held by organisations. It was agreed that further consideration is given and that a revised policy will be brought back to the Board for consideration.

Decision: To note that a revised policy will be brought back to the Board for consideration. HD

10. REVIEW OF WORKFORCE MANAGEMENT POLICY (briefing by Director of HR)

Eric had previously circulated a draft workforce management policy and procedure, which draws heavily from the Council's policy. After discussion and feedback Eric was invited to develop the policy further and in doing so liaise with the Trade Unions. An updated version will be brought back to a future Board for consideration.

Decision : To note that a revised policy will be brought back to the Board for consideration ES

11. AOCB

Cindy advised the meeting that, due to articles of governance of auditors, employees of our External Auditor are not allowed to be on our Board so David Eardley (who works for Scott-Moncrieff) has stepped down. Cindy then expressed the Board's thanks to David for all the hard work he has done for us over the years.

We will now quickly set in motion a recruitment process to appoint two new Directors, one from a finance background. Cllr Miller suggested that we could also do with somebody with an Arts background. Cllr Horne suggested that we could co-opt somebody in the short term, in particular to help with

the gap in finance background.

Cindy then thanked Robin for all his hard work in connection with the Barclay Review, which resulted in us keeping our rates relief which is worth £1.7m.

10. Dates of Next Meetings

Audit and Finance Sub-Committee: Wednesday 31st January 2018, 6.30pm at Xcite Bathgate

Board: Thursday 22nd February 2018, 6.30pm at Xcite Bathgate.