

MINUTE of the ANNUAL GENERAL MEETING of the BOARD of WEST Lothian LEISURE LIMITED held by VIDEO CONFERENCE, on THURSDAY 10 SEPTEMBER 2020.

Present – Cindy Brook (Chair), Beverley Greer, Cllr Angela Doran, Cllr Andrew Miller, Tom Carr-Pollock, Paul Williams, Karen Anderson, Sergio Tansini, Karen Anderson, Cllr Tom Conn,

Apologies – Cllr Chris Horne, Alan Colquhoun (West Lothian Council)

In attendance – Tim Dent, Karen Wenham, Andrew Heron, Mark Chambers (West Lothian Leisure Limited), Jim Cameron (West Lothian Council), Nick Bennett (Scott-Moncrieff), Andrew Palmer

Cindy welcomed one member of the public - Mr. Andrew Palmer and thanked him for his interest in attending the AGM.

1. RECORD OF ATTENDANCE AND ASCERTAINMENT OF A QUORUM

Attendance is noted above. A quorum of Trustees was present.

2. ADDITIONAL OR ANY OTHER COMPETENT BUSINESS TO BE CONSIDERED AT THE END OF THE MEETING

Question from Andrew Palmer

3. APOLOGIES FOR ABSENCE

Noted above.

4. DECLARATIONS OF INTEREST

Councillor Directors declared a non-financial interest in the whole of the agenda as elected members of, and appointees to the Board by West Lothian Council.

5. MINUTES OF LAST AGM HELD ON 12 SEPTEMBER 2019

The Board approved the Minutes of the Annual General Meeting held on 12 September 2019 subject to 1) the attendees should be corrected as it included Tony Starkey who was not present 2) item 6 referred to approval of minutes of General meetings rather than Board meetings and should also be corrected.

MINUTES OF BOARD AND AUDIT SUB COMMITTEE MEETINGS HELD BETWEEN 1 APRIL 2019 AND 31 MARCH 2020

The Board noted its previous approval of the Minutes of all Board Meetings and all Audit and Finance Sub-Committee Meetings held between April 2019 and March 2020.

## 6. AUDITED ACCOUNTS FOR 2019/20 (REP-0852)

### a) CHAIR'S STATEMENT

2019/20 proved to be another challenging year. The year started with implementing Year 1 of the Three-Year Financial Plan which involved widespread restructuring of the charity. In October, we welcomed onboard Tim Dent, our new Chief Executive and after a period of consolidation and development of a new, bold and ambitious business plan, the company was hit hard by the Covid-19 pandemic.

The financial impact of the pandemic could be seen throughout March 2020 as coronavirus took hold and the public became increasingly reluctant to participate in enclosed spaces. On 20 March we closed all venues and ceased all outreach services. This had a dramatic effect on the business. Our earned income which accounts for about 75% of total income collapsed overnight. Support measures aimed at stabilising our financial position were agreed with West Lothian Council, but looking forward, prolonged closure, social distancing measures and loss of public confidence in indoor activity, could have a profound effect on our future financial position and how we deliver services in future.

As a result of the impact of coronavirus, we finished the year with a relatively small operating deficit which will be absorbed from company reserves. Despite this unprecedented set of circumstances and challenges, the charity moved forward on several fronts.

We continued to promote our preventive health agenda and put our charitable purpose centre stage. Delivering our vision of 'A West Lothian where everyone can live a healthier, happier and longer life' has never been more important. Increased funding from NHS Lothian will enable us to do more in this vital area.

We have strengthened our partnership working and collaboration with West Lothian Council and NHS Lothian among others and look forward to working closely with the Council on a strategy for the future delivery of services.

The first year of the Three-Year Financial Plan has been successfully delivered – prior to Covid-19 lockdown all savings targets were met. This has been a difficult period which saw 42 employees leave the company, through either early retirement or voluntary redundancy, but the reduced cost base means the business is now on a more sustainable footing.

Prior to Covid-19 lockdown, the number of attendances increased across our venues and by the end of February we had achieved a record number of year-on-year visits. The year-end total was almost 2.8 million. During the same period, we also saw record membership sales which bodes well for the future. This year social prescribing referrals from health professionals to our health and wellbeing programmes increased along with number of visits from those on benefits and low incomes – two of our target groups.

Other year end highlights include winning a Gold Award for customer service excellence; we continue to deliver an industry leading 'Learn to Swim'

programme with over 5,000 children attending and over 300,000 visits per year.

Once again none of this could have been achieved without our well trained and dedicated team of people who have supported more people than ever to be active - these customers continue to report consistently high levels of satisfaction with the services they receive.

West Lothian Leisure remains one of the most efficient sport and leisure trusts in Scotland. Although the pandemic is set to change the way we work and will no doubt present further challenges ahead, I am confident that we are well positioned to recover once restrictions are eased.

Finally, I would like to thank the staff for their continuing hard work and commitment, and the Board of Directors who give up their time on a voluntary basis. Their advice and direction during the year has been invaluable.

**Decision: To note the Chair's Statement**

b) DIRECTORS REPORT

The financial statements for the year ending 31 March 2020 were circulated to Directors prior to the meeting.

During the year we continued to restructure the company to ensure its long-term financial sustainability to a backdrop of decreased public funding. Funding was received from West Lothian Council to allow this restructure to take place and pay for the associated severance costs. This funding is repayable by way of a deduction from future management fees. This has allowed the company to reduce salary costs to a more sustainable level and achieve a more efficient staffing structure.

The outbreak of the Covid-19 pandemic had a significant impact on our income just prior to the end of the financial year due to the enforced closure of all facilities.

Despite the challenges, much was achieved and areas worthy of note are:

- Investment in facility improvements and new equipment
- Continued significant growth in fitness memberships.
- The ongoing success of our health and wellbeing programmes and family, children's and over 60's memberships including the securing of additional NHS funding for our exercise referral programme and a new weight management programme.

The FRS 102 pension valuation of the pension scheme has resulted in a decrease in the pension deficit. The decrease of this liability is due to an actuarial gain arising from a change in the financial assumptions made by the actuaries, this being recognised in the Statement of Financial Activities. The balance on the pension fund will change annually according to economic conditions and the Board will keep the position under review. A defined contribution pension scheme was introduced in May 2014 into which all eligible new employees will be auto-enrolled. Over time this will improve the pension

fund deficit noted above.

West Lothian Leisure had experienced significant growth in membership figures prior to the closure. West Lothian Leisure faces significant financial challenges due to the current closure as a result of Covid-19 and concerted efforts will be required to grow membership and other income to their previous pre-Covid-19 levels.

### **Investment for Growth**

There were minor gym refurbishments at Xcite Craigswood, Livingston and Whitburn during the year reflecting our new practice of extending the life of fitness equipment.

### **Forward look**

We have prioritised collaborative working with West Lothian Council so that: we can better align our service delivery with Council strategic objectives; our services are better coordinated and integrated; we can deliver excellent value for money. We will also continue to work closely with NHS Lothian, sportscotland and Creative Scotland. Our annual business planning conference with partners allows us to ensure our vision is shared and that we are focusing on the right actions to ensure we contribute to the community planning partnership's outcomes.

We have also refreshed and updated the Business Plan for 2020/21 and have set four company goals which are supported by a number of key aims and actions:

1. Improving lives and communities
2. Improving customer experience
3. Improving the business
4. Growing the business

### **Decision : To note the Director's Report**

- c) INDEPENDENT AUDITOR'S REPORT
- d) FINANCIAL STATEMENTS
- e) AUDIT MANAGEMENT REPORT
- f) MANAGEMENT REPRESENTATION LETTER

Nick Bennett (Scott-Moncrieff) presented the audited accounts for financial year 2019/20 noting that they were unqualified and that WLL continued to be a going concern. He was satisfied that the accounts had been properly prepared and complied with the appropriate financial practices. The Directors present unanimously approved the 2019/20 audited accounts and were happy for the Secretary to sign the Letter of Representation on behalf of the Board.

**Decision: To approve the 2019/2020 Annual Accounts; to note the Audit Management Report and approve signing of the Management Representation Letter.**

## 7. APPOINTMENT OF OFFICE BEARERS

Cindy Brook handed the Chair to Tim Dent for this item. Tim Dent invited nominations from the Board for the position of Chair. Cllr. Tom Kerr nominated Cindy Brook and Beverley Greer seconded.

Decision:

1. To unanimously reappoint Cindy Brook as Chair until the date of the next AGM

Tim handed the Chair back to Cindy Brook who invited nominations for the positions of Secretary, Treasurer and Health & Safety Trustee.

Decisions:

2. To unanimously appoint Beverley Greer as Secretary until the date of the next AGM
3. To unanimously reappoint Paul Williams as Treasurer until the date of the next AGM
4. To unanimously appoint Karen Anderson as Health & Safety Trustee until the date of the next AGM

## 8. APPOINTMENT OF MEMBERS OF THE AUDIT & FINANCE SUB COMMITTEE AND ITS CHAIR

The following Trustees were appointed to the Audit and Finance Sub Committee: Cindy Brook, Beverley Greer, Paul Williams, Cllr Tom Kerr, Sergio Tansini and Karen Anderson.

## 9. APPOINTMENT OF AUDITOR

It was recommended and agreed that Azets (formerly Scott Moncrieff) be re-appointed as Auditor to West Lothian Leisure. It was noted that this is an interim appointment as it was agreed by Directors to test the market to ensure the WLL was achieving best value. Azets would be invited to tender.

**Decision: To unanimously appoint Azets as Company Auditor but noting this is on an interim basis in the first instance.**

## 10. AOCB

Andrew Palmer asked on behalf of Livingston and West Lothian Hockey Club when clubs could expect to start accessing outdoor pitches at school venues – specifically Deans and Inveralmond High Schools.

Tim Dent explained that WLL was the operator for community access and that West Lothian Council (WLC) will make a decision on the target re-opening date in due course. TD highlighted that at the moment, schools, understandably, were focusing on providing a safe learning environment for staff and pupils.

WLL and WLC are working together to agree what needs to be done to facilitate the return of sports clubs to schools. It is likely to be easier to do this for clubs who are just looking to access outdoor pitches and do not need the use of other facilities. WLC are not yet in a position to make a firm commitment on a re-opening date but are aware of the desire of clubs to return.

It was also noted that schools are operating under Scottish Government guidance in relation to Physical Education and that it is unlikely extra-curricular activity will re-start before curricular activity.

TD agreed to keep Andrew Palmer updated of any new developments.

The Chair thanked everyone for attending by video conference and closed the AGM.