

Fife Sports and Leisure Trust

Minute of the Virtual Meeting of the Board of Directors for Fife Sports and Leisure Trust
held on Thursday 13th August 2020 at 3.30pm via Microsoft Teams

Present: R Campbell (Chair)
J Hamilton (JH)
E Wallace (EW)
P Gulline (PG)
A Suttie (AS)
K Caldwell (KC)
L Erskine (LE)
D Watt (DW)
B Thomson (BT)

In Attendance: E Walker (CEO) Chief Executive Officer
W Watson (WW) Chief Operating Officer
L Turnbull (LT) Human Resources Manager
S Urquhart (SU) Sport & Physical Activity Team Manager
V Wyse (VW) Head of Finance & Business Development
S Aldred (SA) Company Accountant
C Bowman (CB) Personal Assistant (Minutes)

ACTION

857. Welcome and Apologies

The Chair welcomed everyone to the meeting. Apologies were received from Carolyn McDonald and Donald Lothian.

858. Declaration of Interests

There were not declarations of interest.

859. Record of the Board Update Meeting Held on 14th July 2020

The Record was approved and the Chair was authorised to sign it.

860. Matters Arising

The CEO advised that all matters below were complete and will be covered later in the agenda.

3.0 Minute of the Board Meeting held on 18th June 2020

Cathy to change PB references to PD in the Minute.

7.0 Financial Model issued to Fife Council 01/07/20

CEO to update Directors on the Council response to the financial model issued to FC on 01/07.20.

DL to raise matter of letter of comfort at FC's Policy & Co-ordination Committee meeting.

CEO to update Directors on outcome of fortnightly finance meeting with FC

8.0 Approach to Annual Leave During Furlough Report

LT to communicate to staff – complete

11.0 Leisure Active Subscriptions and Sales Approach to Recovery Report

SU to report on Health and Wellbeing Programme – included on agenda

SU to provide Directors with a video link to new layout of centres – complete.

13.1 Redeployment Procedure

LT to communicate to staff and Trade Unions the change to the Redeployment process. Complete

14.1 Any Other Business

CEO to pursue meeting with the Joint Leaders of the Administration.DONM 27th October

14.2 Any Other Business

Directors to complete skills matrix.(CB to co-ordinate remaining responses)

861. Chairman's Report

The Chair reported that since the last Board Update meeting he has met with the CEO on a number of occasions and attended a meeting with the CEO, JH and Fife Council Co-Leaders and this item will be reported later in the agenda.

862. CEO's Report

The CEO advised Directors that the main business priority is the recovery and planning process and the readiness to re-open centres. The team has been working hard behind the scenes to mobilise staff and make sure that facilities are safe to work under Covid conditions. The biggest frustration has been the continued push back for opening which has had a knock-on effect on the financial position and has increased the overall deficit. The CEO spoke in detail about the revised soft opening timetable for sport and leisure centres on a phased basis. The Beacon Leisure Centre will re-open in phase 3 but remains an issue on

being able to open safely under Covid conditions due the design of the building. In order to deal with any concerns a site visit for Elected Members has been arranged for 17th August 2020. The revised timetable has now been issued to staff, customers, clubs and Elected Members and a briefing note was issued on 12th August 2020 which outlined the challenges the Trust faces.

PG enquired about the uptake at Pitreavie Athletics Centre since the opening of the outdoor track on 5th August 2020. SU advised that clubs are keen to return and have booked the track for 2 hours/night. At the moment, Under-17s football can return from 17th August 2020, as long SFA guidelines are followed, and adults from 24th August 2020.

863. Committee Business Report

The CEO advised that the majority of the business discussed at the Governance and Compliance Committee meeting held on 28th July 2020 is also included within the Board agenda.

VW updated Directors of the ongoing external audit which commenced (remotely) in July and will be reported to the Governance and Compliance Committee at its next meeting on 14th September 2020. The Audit Plan for 2019/20 is similar to previous audits and Directors' responsibilities remain the same, however the main issue is that of a "going concern" and this will be discussed in greater detail later in the agenda. The Auditors will expect an assurance for a 12-month period up to September 2021. Directors will be updated once further information is available.

VW advised that following a quote from Fife Council to supply an internal audit service it was decided to include this with the tender for external audit for renewal on 1st April 2021.

864. Finance Report

VW advised Directors that the deficit for Q1 previously reported to the Governance and Compliance Committee is not as high as previously expected now that Fife Council has agreed a top up of the funding. Debt is high but not unexpected. Like Fife Council, FSLT has not aggressively pursued debt during the Covid period, however this is likely to resume within the next few weeks. The Trust will engage directly with clubs to put payment plans in place to assist them in clearing their outstanding debt before returning to the centres.

VW outlined the deficit and cash flow continues to be an issue until centres are back to generating significant levels of income. With an assurance from the Council to provide an initial supplementary Management Fee a projected deficit remains and current cashflow projections indicate further top-up funding will be required in early February. Potential funding could be forthcoming from the CJRS Bonus Scheme at the end of February/March 2021 to offset part of the deficit

however this cannot be assessed until the criteria is set at the end of September 2020.

The CEO emphasised that Fife Council is aware of the risks relating to the deficit which is included in its own deficit calculations for the year and also that the Trust needs to produce a sustainable model going forward. The Council will review the Trust's position in October and the CEO, Chair and Vice Chair are meeting with the Council Administration Co-Leaders on 27th October 2020 to discuss further.

Directors noted; the report and the impact of the pandemic on the reserves and the support provided by Fife Council to mitigate the position, and that regular updates would be provided on the budget models for 2020-21 and 2021-22.

VW

865. Fife Council 'Letter of Comfort'

The CEO referred to the Letter of Comfort of 30th July 2020 received from Fife Council and although the supplementary Management Fee is most welcome, the Trust still faces a degree of uncertainty, hence the requirement for a formal review by the Council in October to ensure that FSLT continues to control costs and take appropriate action to mitigate costs. The letter does not give a specific financial commitment for 12 months up to the end of September 2021 which would allow Directors to sign the final accounts off as a "going concern" and also satisfy the Auditor's requirements.

The Chair referred to his report reminded Directors of their responsibilities regards "going" concern and also wrongful trading in accordance with companies' legislation and advised that the Auditors will need to assess the financial position of the parent company (Fife Council) and that Directors themselves should consider this point. Under the Corporate Governance Act Directors do not have a blanket exclusion for wrongful trading. He further emphasised that he was not giving any individual Director any advice on the matter and every Director should make their own judgement on their responsibilities and liabilities in the context of a "going concern" and wrongful trading.

The CEO has already fed back comments to Fife Council and it has confirmed that it had also received similar comments from another trust. The Council is open to receiving informal comments stating the Board's reasons for not signing and they will consider issuing either a revised letter or a supplementary letter.

Following detailed discussion, the Board agreed to submit a letter to FC, which will be reviewed by the chair prior to issue. The Auditors will liaise with Audit Scotland to ensure that Fife Council can meet its commitment. The CEO will update Directors on the response from Fife Council prior to the next Board meeting.

CEO

866. Year End Operational Performance Review

The CEO reported that a full performance analysis for 2019/20 has demonstrated that the Trust performed extremely well in delivering fundamental services pre-Covid and this will be used as a baseline to measure KPIs.

SU presented the report and provided Directors with a detailed analysis of the 2019/20 year-end performance.

Despite the closure of facilities in mid-March 2020 with the loss of almost two weeks' income due to the Coronavirus pandemic, the Trust recorded over 2.5m visits. Prior to lockdown, attendances at four centres had increased and seven others were on track to exceed their totals for the previous year by 5%. The £1.4m capital investment by Fife Council in Levenmouth Swimming Pool and Sports Centre and Dalgety Bay Sports and Leisure Centre saw an increase in usage in both venues providing more opportunities for local people to become more active.

The Learn to Swim scheme was extremely successful and recorded its highest ever membership with over 6,700 customers participating. The Scheme was also awarded the SwiMark Plus standard, the highest evaluation given by Scottish Swimming.

The Trust recorded its highest ever Leisure Active membership in February 2020 with 14,000 members attending over 775,000 classes. An average of 99 weekly health classes per week were delivered to over 40,000 users over the year.

The increased competition from local gyms saw a drop off in fitness class attendances affecting mainly Kirkcaldy Leisure Centre with Leisure Active and swimming attendance down. Pitreavie Athletics Centre experienced the biggest percentage drop in 2019/20, mainly due to the loss of all Run Jump Throw instructors.

Currently the main business focus has been on moving to a recovery plan format, however the impact of the reduction will continue to be monitored and measured against a set of KPIs which will be reported to the Board.

The Board of Directors noted the report and its contents.

867. Policies for Approval

The following policies were scrutinised by the Governance & Compliance Committee and recommended for Approval by the Board :

- **Voluntary Early Release Arrangement (VERA) Policy**

LT provided the background and rationale for the policy which had been reviewed by the Company Lawyers to ensure that it was consistent with employment law. Fife Council was consulted during development of the

policy and initial information on the proposal was provided to the Trade Unions. The policy will be formally communicated to staff and Trade Unions once approved by Directors. The Governance and Compliance Committee recommended approval of the policy with a review every three years, or as required by changes in employment Law

Zero Tolerance Policy

WW advised this policy replaces the Violence at Work and is now included as part of the Trust's suite of Health and Safety Policies. Guidance procedures have been developed which fit in with the Trust's Normal Operating Procedures (NOP) and the Emergency Action Plan (EAP) and monitored in accordance with other the Incident Reporting Management System. The Governance and Compliance Committee, recommended approval of the Policy to the Board subject to inclusion of a clear reference to bullying into the policy and the policy was revised accordingly.

Directors approved both policies, remitting to the HR Manager to advise staff and trade unions of the Voluntary Early Release Arrangement Policy and noted the procedures in place by the Zero Tolerance Policy to safeguard staff, customers and others in Trust

LT

868. FSLT Recovery Planning

Health Programme Recovery Plan

The CEO advised Directors that one of the main areas of focus is planning to re-introduce the health programmes post-Covid and build customer confidence to return. She thanked EW for his efforts in lobbying the Scottish Government and starting a dialogue on the positive impact of physical activity post-Covid. EW has extended an invitation to the Scottish Government to visit Michael Woods Sports and Leisure Centre to look at how the Trust is responding to the current situation and how it is tackling the challenges it faces as part of the recovery.

SU reported that in order to gauge client confidence in returning to classes, 50 customers were contacted for their views on returning with social distancing in place. On the positive side, 49 customers said they wanted to return to a class and emphasised the social benefits as well as physical benefits they gained by attending classes. On the negative side, customers stated that their physical ability had begun to decline. There are a number of difficulties in returning classes, ie the number of people the sites can now accommodate with social distancing in place, rooms being used for other activities, change of venues, changes in opening hours, travel issues, health and safety concerns etc therefore a phased approach will be implemented to re-start the programme. Details of the phases is detailed in the report.

A reduced service may have negative health consequences for those participants who will be unable to access it. Some of these participants

are elderly and hugely benefit from both social interaction and supported physical activity. Due to capacity restrictions the health programme will be unable to deliver the same volume of classes resulting in a vastly reduced service. The Trust is engaging with NHS and Health and Social Care services who have indicated they do not have a date when they will return to their normal service. A return in 2021 is predicted.

Learn to Swim Recovery Plan

SU provided Directors with an overview of the approach to recovery of the Learn to Swim function in the aftermath of the Covid-19 pandemic.

The Trust has been engaging with Scottish Swimming since the beginning of lockdown and SU and the Aquatics Manager have been involved in working groups looking at ways to bring customers back. Scottish Swimming has a process in place “Back to Water” which the Trust is building on. The Learn to Swim programme will be resumed on a phased basis with set recovery targets and KPIs in place for each venue. The Trust will be contacting customers prior to the anticipated return date of 14th September to offer places.

The CEO added that information received from the industry already re-opened in England and Northern Ireland would suggest that attendances have been high. FSLT is well-prepared in terms of staff communication, on-site induction and a rigorous health and safety approach to enable centre to re-open safely.

869. Any Other Business

Items for Noting;

869.1 Funding Opportunity Report

The CEO advised that the Trust has received funding of £40k specifically for young people to access leisure opportunities through a membership. This will commence once facilities are re-opened.

869.2 Ventilation Briefing Note

Directors noted the content of the briefing note.

869.3 Scottish Government Briefing

EW advised Directors that CMcD’s framework which supports people to rehabilitate through and after Covid was published today (13th August 2020) on the Scottish Government website. The report highlights the danger the NHS faces with people at increased risk of ending up in hospital in winter having lost out on attending health and wellbeing sessions in sport and leisure centres. The CEO agreed to draft a letter congratulating Carolyn

**CEO
CB**

on her report and wishing her success in her role. CB to share link with Directors.

869.4 Management Fee v Generated Income

JH requested that the Trust obtains a benchmark of the income to Management Fee across all the Scottish Trusts perhaps via Community Leisure UK which will re-iterate to Fife Council that a 20% Management Fee against 80% generated income is not sustainable. The CEO has this information and will send to JH.

CEO

870. Date of Next Meeting

The next scheduled Board meeting, and also AGM, is Thursday 24th September 2020 commencing at 3.30pm via Microsoft Teams. The Chair requested an interim update meeting to keep Directors updated and a date of Wednesday 2nd September 2020 at 3.30pm was agreed. The CEO will inform the Council of the date.

CB

CEO

871. Chair's Thanks

The Chair thanked everyone their attendance and contributions, particularly the CEO and her team for the excellent papers produced.

Signed _____
Chair

Date _____