

## Fife Sports and Leisure Trust

Minute of the Virtual Meeting of the Board of Directors  
held on Thursday 22<sup>nd</sup> October 2020 at 3.30pm via Microsoft Teams

Present:	R Campbell (Chair)	
	J Hamilton (JH)	
	E Wallace (EW)	
	K Caldwell (KC)	
	P Gulline (PG)	
	A Suttie (AS)	
	L Erskine (LE)	
	D Watt (DW)	
In Attendance:	E Walker (CEO)	Chief Executive Officer
	W Watson (WW)	Chief Operating Officer
	V Wyse (VW)	Head of Finance & Business Development
	N Bennet (NB)	External Auditor (Azets)
	A MacLellan (AMacL)	Sole Member Representative
	C Bowman (CB)	Personal Assistant (Minutes)

### ACTION

#### 903. Welcome and Apologies

The Chair welcomed everyone to the meeting and extended a special welcome to Nick Bennett, Auditor and to Andy MacLellan, Sole Member Representative. Apologies were received from Donald Lothian, Brian Thomson and Carolyn McDonald.

#### 904. Declarations of Interest

None declared.

#### 905. Draft Annual Report and Accounts 2019/20 Report

VW presented the Annual Report and Audited Accounts which were scrutinised by the Governance and Compliance Committee at its meeting on 15<sup>th</sup> October 2020 and recommended for approval by the Board of Directors. Although JH was unable to attend that meeting he did scrutinise the papers beforehand and made comments which were reflected within the Minute of the meeting.

Full details were provided within the report and its appendices. The deficit for the year was £1.83m before accounting for actuarial gains in pensions of £4.485m. Once all pension accounting entries are removed this reduces to a management deficit of £489k. Overall, the balance sheet continues to be in a negative reserve position of £3.8m due to the defined benefit pension liability, however this is a significant improvement on the position last year as a result of the actuarial gain.

Reserves have reduced to £330k which is below the policy level of £750k and this is mainly due to the impact of the pandemic, however this position is supported by the letter of comfort issued by Fife Council confirming the Trust will be supported financially until 31<sup>st</sup> October 2021.

VW advised Directors that they are required to confirm they are satisfied with the accounts and that the business is a “going concern” in order for the Chair to sign the letter of representation on their behalf and lodge the accounts with Companies House and OSCR. This in turn allows the Auditors to produce a Audit Management Report.

NB stated that the pandemic has meant that the accounts preparation and audit process had been challenging and taken longer than if operating in a “normal” situation. He thanked all FSLT staff involved in the audit process along with his own team and stressed that despite working through the pandemic there was no compromise on quality of the audit or the level of evidence required as per Financial Reporting Council and professional institutes requirements and he was happy to record an unqualified audit report to be signed.

The Accounts have been prepared on a going concern basis. ie the Trust is able to pay its debts as they fall due for the foreseeable future (minimum of 12 months from date of approval of accounts) as confirmed in Fife Council’s Letter of Comfort dated 1<sup>st</sup> September 2020. He noted that the cash flow projections showed a significant overdraft position over the next 18 months and that this has been taken into account by Fife Council when issuing the Letter of Comfort. This is fully disclosed in the Trustees Report and Going Concern accounting policy and therefore a material uncertainty on going concern paragraph is not required within the audit report, however the long-term sustainability of the Trust requires to be addressed.

*This Chair exited briefly from the meeting at this point and handed the Chair over to the CEO. JH also joined the meeting.*

The Audit Management Report included four recommendation and a few actions carried forward from the previous year which were unable to be actioned due to lockdown, however, none were considered high risk or critical.

VW summarised the feedback from the Audit Report which returned an unqualified Audit Certificate. There were two adjusting events out with FSLT’s control, ie support in kind from Fife Council (gas, electricity, IT, back office) and pension costs which moved the figures by approximately £500k and one non-adjusting event which related to some carry forward of income which was due to a miscalculation in the number of days the business was actually closed in March during the pandemic for income carryforward.. A few of the actions carried forward from the previous year have been completed (VAT and electronic invoices) and the remaining items relating to fixed assets are currently being addressed. A number

**CEO/**

of leases still require to be signed and VW and the CEO will raise this with Fife Council.

**VW**

The CEO added that it was very positive to receive a clean audit and thanked the team within FSLT and also NB and his team for working through some of the challenges over the past several months,

The Board of Directors:

- a) Approved the Annual Report and Audited Accounts for the financial year to 31<sup>st</sup> March 2020, following their recommendation for approval by the Governance and Compliance Committee.
- b) Agreed:
  - the accuracy of the Director's report.
  - that the audited accounts showed a true and fair view and authorised the Chair to sign them.
  - with the statements made in the Letter of Representation relating to their responsibilities as Directors and authorised the Chair to sign it on their behalf.
- c) Noted the Audit Management Report.

*(The Chair re-joined the meeting at this point)*

## **906. Performance Review 2019/20**

VW presented the Review of Performance 2019/20 brochure which highlights the work carried out within the Trust in the last financial year. It demonstrates to the public and stakeholders that the Trust is providing more than a leisure service to the communities of Fife and provides an insight into the health and wellbeing investment by the Trust.

A number of achievements were noted:

- 2.5 million attendances - increase of 0.62% (which would have been more due to a few weeks lost at the end of March due to the pandemic)
- 7.81% increase in customers in the Learn to Swim programme
- £1.65m investment in Dalgety Bay and Levenmouth Sports Centres thanks to Fife Council
- Over 60's attendances increase by 4.09% for the 9<sup>th</sup> consecutive year and it is hoped that numbers will continue to increase once restrictions are lifted due to the social aspect involved for this category
- 99 weekly health classes delivered with 40,000 attendances throughout the year

- Active Options phone referrals introduced and proven successful by providing one-to-one information about the classes and encouraging customers to attend.

#### **907. Adjournment of the Board Meeting**

The Chair proposed that the Board agree that the Directors' Report and Independent Auditors' Report be approved and authorised him to sign the letter of representation on behalf of Directors. The resolution was passed unanimously. No questions were raised.

*The Board Meeting adjourned for Annual General Meeting*

#### **908. Board Meeting re-convened at 4.00pm**

#### **909. Minute of the Board Meeting held on 29<sup>th</sup> September 2020**

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

#### **910. Matters Arising**

##### **892. Job Support Scheme**

Fife Council has confirmed that it will continue to top up salaries to 100% under any scheme.

##### **893. Recovery Plan**

A Strategy Committee is scheduled for 16<sup>th</sup> November 2020 to discuss priorities within the Recovery Plan and a detailed report will be brought to the next Board meeting.

##### **899. Operations Recovery Update**

A detailed review of performance since re-opening 13 centres on a phased return since 14<sup>th</sup> September 2020 will be presented to the Board on a regular basis. Swimming lessons re-commenced on 12<sup>th</sup> October and 10 health classes will resume on 26<sup>th</sup> October at three key venues and then rolled out across the business. A full update on all the trends analysis will be presented at the next Board meeting.

##### **Performance Management Framework**

The EMT is producing a comprehensive performance management framework which will be presented to the Governance and Compliance Committee

#### **9111. Chairman's Report**

The Chair reported that since the last meeting he has met with the CEO on a number of occasions to discuss Trust business. He acknowledged the excellent work entailed in creating the Review of Performance 2019/20 document and thanked all involved in its production. He noted that this was an excellent tool and recommended that it be shared with various partners and customers to highlight the success of the Trust.

## **912. Committee Business Report**

### **912.1 Performance Benchmarking Framework**

The CEO reported that a suite of performance indicators (including SPIs) has been developed in order to drive continuous improvement in all areas of the business and also to ensure that legislative requirements are met. These indicators are linked to the strategic objectives and will be monitored on a monthly, quarterly or annual basis, depending on the indicator and will be reviewed on a quarterly basis at the Governance and Compliance Committee. The framework which will capture quantitative and qualitative information will be developed as it evolves and will act as a governance tool for Directors. Data for Q3 and Q4 will be reported to the Board and will enable a performance management framework to be developed and adopted from 1<sup>st</sup> April 2021 if it proves to be of value. The CEO will circulate a copy of the framework to Directors.

CEO

The Chair commented that this was a very valuable tool which will enable Directors to oversee and monitor how the business is doing. Directors were in agreement.

### **912.2 Staffing Model “Post-Furlough” – Implementation Plan**

The CEO reminded Directors that It was agreed at the Board Meeting on 29<sup>th</sup> September 2020 that the Trust would continue to operate the “soft opening” business model beyond 1<sup>st</sup> November 2020 until the end of December 2020. She confirmed that Fife Council will underwrite the cost of this until the outcome of the reform agenda and delivery model is identified.

The Operational team has communicated with staff on an individual basis to ensure they can return to their contracted hours on the proposed shift rotas and have addressed any issues or concerns that they may have. The Trust is at the final stage of agreeing a consultative agreement with the Trade Unions and it is hoped that this will be concluded in the next few days. Where possible, staff will return to their normal place of work, however this is not possible for staff who work at the Beacon Leisure Centre because it is unable to open (see Agenda Item No. 916). The staff affected have been accommodated at other centres and some have been seconded to other areas of the business or to

the Track and Trace project with Fife Council for a period of six months. Feedback from staff has been positive and they have been extremely supportive of the Trust's approach. Staff will be informed as quickly as possible what the situation will be after 31<sup>st</sup> December 2020 and this will be known after the outcome of the leisure reform agenda.

### **912.3 Legal Fees**

Following a query raised at the Board Meeting on 29<sup>th</sup> September 2020 the CEO updated the Board on the amount of legal costs incurred over the past 3 financial years and also the spend to date for this year. She expected fees to be higher in the current financial year due to information relating to the pandemic. Both the CEO and Chair commented that the rates were extremely reasonable and would appear to be based on the original contract. The knowledge and background the solicitors have with FSLT adds to the value. The support they provided during lockdown, including numerous webinars and general briefing notes free of charge, has been invaluable.

### **913. Beacon Leisure Centre**

The CEO was pleased to report that Fife is one of the few local authorities in Scotland to have opened so many of its sport and leisure facilities - 13 out of its 14 centres.

WW reported that current Government guidelines will not allow the centre to open due to the building being unsuitable for physical distancing and also that due to the pool design the water displacement in the Pool does not meet the required standards for operating under COVID guidance.

Fife Council has been supportive in investigating the issue and has appointed a pool consultant to examine the pool on 28<sup>th</sup> October and find an initial short-term solution to allow the pool to operate. The Trust is hopeful of working with Fife Council to find a community school pool nearby, as well as using Kirkcaldy Leisure Centre, to allow the aquatics programme to re-start. The centre will require capital investment to make to provide the long-term solution to the issue. WW is in contact with the swimming club who use the centre and will keep them and Elected Members updated with any progress.

JH enquired if there had been any pressures to open the site and if positive communication had gone out informing that 13 out of 14 centres were now open. WW confirmed that local Elected Members were keen to see the centre re-open and were invited to visit the centre. Following their visits to the centre they understood the problems and they have in turn put pressure on Fife Council to address the issues. The synthetic pitch has already been opened to allay any fears that the centre will not

re-open. This has been well-received from the local swimming club and Elected Members. WW advised that positive messages will again be sent through the media to inform customers of the measures in place to reassure them that centres are open and safe to use.

AS enquired about the technical issues with the water displacement and the CEO provided an in-depth explanation.

WW confirmed that the synthetic turf pitches are currently open therefore the centre is not entirely closed. **WW**

## **914. Any Other Business**

### **914.1 Meeting with Fife Council**

The Chair advised that himself, the CEO and JH will attend a meeting with Fife Council to discuss FSLT's position on 25<sup>th</sup> November 2020 and the outcome of this will be reported to the Board at the meeting on 26<sup>th</sup> November 2020.

### **914.2 Chair's Thanks**

The Chair thanked the CEO and her team, particularly VW with the Annual Report and Accounts. He also thanked everyone for their attendance at the meeting.

## **915. Date of Next Meeting**

- Board Meeting – 26<sup>th</sup> November 2020 at 3.30pm via MS Teams

Signed \_\_\_\_\_  
Chair

Date \_\_\_\_\_