

Fife Sports and Leisure Trust

Minute of the Virtual Meeting of the Board of Directors
held on Thursday 25th March 2021 at 3.30pm via Microsoft Teams

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

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

ACTION

961. Welcome and Apologies

Apologies were received from R Campbell (RC) and C McDonald (CMcD). In the absence of the RC, JH chaired the meeting and welcomed everyone to the meeting.

962. Declaration of Interests

No declarations of interest were declared.

963. Minute of the Meeting Held on 18th February 2021

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

964. Matters Arising

956. Q2/Q3 Media Relations Review

Agreed for the CEO to bring back a further update to Governance and Compliance Committee.

- To be presented as a regular media report at the next meeting of the Governance and Compliance Committee on 4th May 2021.

957. Staff Welfare Update

Staff survey results to be presented to the Board once available. LT

- Staff pulse survey launched on 5th March 2021 with closing date of 26th March 2021.

959. AOB

The CEO invited Directors to view facilities prior to re-opening. An invitation will be sent once a programme of re-opening is established

CB

- Timetable to be issued to Directors.

965. Chairman's Report

The Chair reported that since the last Board meeting he had met with RC and the CEO on one occasion to discuss FSLT business.

966. CEO Update (Committee Business Report and Re-Opening Programme)

Revisions to the Lifeguarding Policy on the Provision of Training and Lifeguards

- Potential for Aquatics clubs to provide their own Lifeguards or Club Safety Monitors, rather than the use of Lifeguards provided by FSLT.
- The policy to be submitted to the Board for approval at a later date once consultation with aquatics clubs has been undertaken.

Business Interruption Insurance Update (potential claim)

- No formal response from RSA however FSLT broker advised that initial feedback following the ruling was still a "no".

Insurance Renewal 2021/22

- Taking the impact of the pandemic into consideration the decision was taken to continue with existing brokers for 2021/22.
- Cost last year £123k, authority now sought for CEO to agree contract at a similar level. Directors were in agreement to extend the contract for a further year. VW will push for a rebate.
- Renewal for 22/23 will be a joint tender with FCT using Government Framework

VW

Proposed Changes to the Articles of Association for Virtual Meetings

- Provisions within the Articles should enable board meetings to take place on an entirely virtual basis (i.e. all members participating in this way)
- Remit the Chair to approve the wording of the change prior to submission of the written resolution to the Sole Member. Directors were in agreement.

VW

Gender Pay Gap Reporting

- Deadline for the 2020 report has now been extended to 5th October 2021

Re-Opening Timeline

Since closure on 26th December 2020 the Trust has continued to engage with the communities of Fife. A short video highlighting some of the excellent work ongoing during the lockdown period can be viewed at <https://www.fifeleisure.org.uk/coronavirus-update-tier-4/>. CEO to send link to Directors.

CEO

AS asked if the lockdown video could be shared on social media and the CEO confirmed this was to be encouraged. The CEO also advised that a press release has also been issued. AS also enquired if the Trust had the staffing capacity to cope with the increased demand for fitness classes. The CEO responded that three extra outdoor classes have been laid on and the Trust will upscale as demand increases.

The CEO confirmed that the Trust is working hard behind the scenes to re-open the Beacon Leisure Centre on a soft opening basis and have the swimming clubs in to test the water prior to full opening. This will be covered at Item 970.1 later in the agenda.

967. Annual Accounts and Audit Plan

VW presented the report which was considered in detail by the Governance and Compliance Committee at its meeting on 16th March 2021 and set out the key deadline dates for the audit plan.

VW advised that Nick Bennett (External Auditor) attended the G&C Committee and outlined the content of the Letter of Engagement and the Audit Planning Letter. The latter highlights the scope of the audit and Directors' responsibilities with regard to the annual accounts and audit process. The key areas of risks are; revenue recognition, management override, and the business being a "going concern". The Auditors will therefore be looking for projections for the year ahead and also a Letter of Comfort from FC at the date the accounts are approved to confirm that it will support FSLT in terms of cash flow.

Another key risk is the Defined Benefit Pension Scheme and the Auditors will be reviewing the assumptions for reasonableness against benchmarked data. Workforce Planning restructuring around the year end will require to be properly accounted for in the 2020/21 accounts and disclosed and fed into the pension calculations.

The Audit is scheduled to commence on 14th June 2021 once the Trustees' report is complete and confirmation of the business as a "going concern" has been received. NB also confirmed complete independence of the work Azets undertake.

JH advised that the G&C Committee recommended a more robust and carefully worded letter of support be provided by FC at the date the accounts are approved. The CEO will discuss this with FC's Head of Communities & Neighbourhoods.

CEO

Directors noted the report, approved the contents of the Audit Planning Letter and Letter of Engagement from Azets for the audit, subject to them noting their responsibilities as outlined in the letters and authorised the Company Secretary to sign them on their behalf.

VW

968. 2021/2022 Revenue Budget (including Cash Flow Projections)

VW presented the report which was considered by the Governance and Compliance Committee at its meeting on 16th March 2021 and summarised the previously reported budget position which assumed significantly increased levels of management fee depending on the recovery scenario used.

The CEO reassured Directors that within the budget report which was approved by the Council, there was a positive note referring to underwriting the Trust's deficit. Therefore, the wording within the letter of comfort will need to be explicit stating that the Trust is a "going concern". Last year FC provided top-up funding to manage the cash flow and this is being considered again by FC for this year. The CEO will update the Board of Directors on progress with this along with the Management Fee and letter of comfort.

CEO

Following a request from JH VW outlined the basis of the budgeted employee costs and assumptions made for workforce change and pay inflation and the impact of those changes on the management fee.

VW advised that the cash flow position is based on the core Management Fee, without top-up funding. FC will provide the funding two instalments in April and July if the June salary payment is deferred. At the present time it is anticipated that top-up funding will be required from Fife Council from mid-September subject to the level of income recovery achieved.

Directors noted the report and endorsed the Budget forecast requirement for 2021/22 and Cashflow Projections as outlined in the report and recommended their approval subject to the ongoing

negotiations with Fife Council for an equivalent top-up in the Management Fee to eradicate any deficit for the year and continue to underwrite the cash flow position for a further six month period to 31st March 2022.

969. Financial Regulations (including Scheme of Delegation)

VW presented a revised Scheme of Delegation and Financial Regulations in advance of the new financial year. Directors had previously requested that amendments to either policy be approved concurrently as the documents are linked in terms of governance. Operational and HR schemes of delegation will be dealt with separately and presented to Directors at a future date.

Bank Signatory Request

Following the inclusion of the Sports and Physical Activity Team Manager as part of the Executive Management Team, Directors were asked to approve the position to be an authorised signatory on the Company's bank accounts.

Directors reviewed and approved the Scheme of Delegation and Financial Regulations, noting they will be reviewed on an annual basis and that the cash handling guidelines have been produced as a result of Internal Audit report on cash handling.

Directors also approved the inclusion of SU as Sports and Physical Activity Team Manager, as an authorised signatory for the Trust's Bank Accounts.

970. Facilities Update – Capital Works

WW provided Directors with an update on work currently underway at the Beacon, Bowhill, Carnegie, Dalgety Bay and East Sands Leisure centres. No further comments were received regarding the facility updates.

VW and WW were asked to leave the meeting at this point. LT remained to provide advice on any HR queries and processes.

971. Workforce Change Planning: The Proposed Approach to a Business Operating Model from 1st April 2021 onwards

The CEO presented the report which the Service Improvement Committee recommended for approval to the Board at its meeting on 3rd March 2021, advising Directors of the potential approach to a business operating model from 26th April 2021. It outlined the key requirements to enable the approach to be taken forward, including the funding of workforce change costs, to allow the staffing restructure of the business to the agreed reduced hours model to be delivered, and how the workforce change will be carried out. Discussions are ongoing with Fife Council on the options for delivery of the outcomes

required for workforce change and the potential impact on the workforce.

Directors discussed the options as advised by the CEO and the proposed approach, and the CEO addressed Directors concerns on the impact on the workforce by providing underlying protections built into the proposals to mitigate the impact.

Directors recommended approval of the approach to the restructure, subject to confirmation on the funding of workforce change costs, remitting the CEO to implement the workforce change solution as detailed in the report to be to coincide with the end of the CJRS.

CEO

LT was asked to leave the meeting at this point.

972. Senior Management Restructure Proposal

The CEO presented the report which proposed a restructure of the senior staff, and the rationale to provide an improved business focus for recovery over the longer term and retain key staff. The job profiles of the positions as outlined will be evaluated using the Fife Council Job Evaluation Scheme and once agreed will undergo a workforce change process. The CEO also provided Directors with an overview of the workforce change process that would be undertaken.

Directors recommended the approval of the new structure, pending agreement of the outcome of job evaluation and any associated workforce change costs and remitted the CEO to implement the structure once the agreement was in place, and reporting progress back to the Service Improvement Committee for further scrutiny.

973. AOB

JH thanked the team and Directors for their input.

974. Date of Next Meeting

Thursday 13th May 2021 commencing at 3.30pm via MS Teams.

Signed _____
Chair

Date _____