

OFFICIAL PUBLIC
BOARD OF DIRECTORS MEETING
MONDAY 1st July
FROM 4 PM
VENUE – Meadowbank Sports Centre

Exempt Information

We will publish information we hold that falls within the classes of information below. If a document contains information that is exempt under Scotland’s Freedom of Information laws (for example sensitive personal information or a trade secret), we will remove or redact the information before publication and explain why by providing the exemption(s) we have applied.

	For Noting	For Discussion	Decision/ Approval
1. Apologies & Declarations of Interest	√		
2. Volunteering (presentation)		√	
3. Minutes and Matters Arising from meeting of 13 May 2024			√
4. Finance & Usage Performance Review	√		
5. Memorandum and Articles of Association Appendix 1			√
6. Audit & Risk Committee Terms of Reference			√
7. Marketing & Sales	√		
Private Items – B Agenda Reports			
Reasons for Restrictions			
Edinburgh Leisure is withholding the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Section 33(1)(b) of The Freedom of Information (Scotland) Act 2002.			
Section 33(1)(b) “Information is exempt information if – (b) its disclosure under this Act would, or would be likely to, prejudice substantially the commercial interests of any person (including, without prejudice to that generality), a Scottish public authority.			
FOISA S33(1)(b)			
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- [REDACTED]
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- [REDACTED]

- 6. A.O.B
- 7. DONM – Board Meeting 4pm 11th September

Protective Marking	Text in blue = exemption/exception applied Text in black = not protectively marked
Publication Scheme	Yes
FOISA Exemption(s)	FOISA S33(1)(b) & S38(1)(b)

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**EDINBURGH LEISURE BOARD MEETING
VENUE – MEADOWBANK SPORTS CENTRE
13th May 2024 at 4pm**

Present:	John Taylor	Acting Chair
	Jackie Moran	Vice Chair (via Teams)
	Alex Staniforth	Director
	Christopher Cowdy	Director
	Colin Mumford	Director
	Gavin Munn	Director
	Gosia Paterson	Director
	John Evans	Director
	Lezley Marion Cameron	Director
	Rachel Ducker	Director (via teams)
	Sanne Dijkstra-Downie	Director
In Attendance:	Jen Holland	CEO
	Claire Rusack	Operations Director
	Perrotine Orr	Operations Director
	Karen Scott	Director of People
	Kevin Johnston	Commercial Director
	Helen Macfarlane	Director of Wellbeing
	Jill Davidson	Head of Marketing, Comms & Sales
	Evelyn Kilmurry	Head of Libraries, Sport and Wellbeing, CEC

Item 1 - Welcome & Introductions

- (i) John Taylor welcomed all to the meeting and confirmed that he would be chairing the meeting in Scott Haldane's absence.
- (ii) John Taylor advised that Jackie Moran and Rachel Ducker would join the meeting via Teams.
- (iii) Jill Davidson, EL's Head of Marketing, Communication and Sales, was welcomed to the meeting to share the annual review of Marketing and Sales (Item 4 ix).
[FOISA S38\(1\)\(b\)](#)

Item 2 - Apologies & Declarations of Interest

- (i) Apologies from Scott Haldane, Lee Ann Panglea and Denis Dickson.
- (ii) There were no Declarations of Interest.

Item 3 - Minutes of Last Meeting

- (i) The minutes were approved.
- (ii) Matters Arising from Meeting of 26th February 2024
 - a) Item 6 – Becoming Net Zero – explore opportunities to reduce cool settings in estate to realise further savings: Kevin Johnston advised that this issue is now being worked on.
 - b) Item 3 - Matters Arising – as per June Peebles' update at the December Board meeting: the Memorandum & Articles of Association (M&As) need updated to reflect the change regarding the TU Representative on the Board and this will be actioned along with the further change agreed by the Board to replace the ClubSport Representative with a Board Member with experience in Community sport. Jen Holland confirmed that this item will be picked up under Item 5: Governance.
 - c) Item 5 Financial & Usage Performance Review Provide a breakdown of casual income to membership income for the increase in fitness income/footfall in January 2024. Kevin Johnston advised that the membership income performance was strong with a slight reduction in casual income.
 - d) FOISA S33 (1)(b)
[REDACTED]

Item 4 - Reviews – Full Year 2023-24

Item 4(i) - Finance & Usage Performance Review

- (i) Kevin Johnston talked to the report.
- (ii) John Evans asked for explanation of why the performance in the final quarter was so different to the budget and why the Board were not aware of this. Questioned whether our financial and marketing models were connected well enough to each other. Kevin Johnston explained that we normally do this, however this year was very unusual. The first 9 months were all showing the same trend, then performance significantly improved in the last 3 months.
- (iii) Rachel Ducker asked what the usual approach to forecasting was. Kevin Johnston outlined our approach to forecasting. Kevin Johnston explained that the reforecasting still has variations within it, even when based on a high number of months of actuals, but recognised that we need to review this for future years Jen Holland confirmed that this is a complex picture regards significant changes in the last quarter of the year. Jen Holland highlighted the need to ensure impacts of marketing and sales campaigns required to be incorporated into financial forecasting models.

Item 4(ii) - People Review

- (i) Karen Scott talked to the People Review report.
- (ii) John Evans noted the increased proportion of long-term absence, and asked whether there were any trends in the Fit for Work certificates that would explain this. Karen Scott explained that we review the reasons for absence, seeking trends (e.g. in absence type, or in a particular demographic). The data so far isn't highlighting any trends, but the team will continue to monitor this closely.
- (iii) Jackie Moran asked whether the challenges of recruitment of coaches had eased. Karen Scott explained that we continue to find it challenging to attract people to a career in coaching (coach recruitment has historically been a challenge). We tend to find that coaching work is attractive to students, therefore we experience waves of coaches leaving as people finish their studies. Perrotine Orr confirmed that 71 coaches were recruited during 2023-24, however, we continue to lose a lot of coaches when students finish University. Work is ongoing to attract talent from different demographics who may be able to commit a longer tenure with us.
- (iv) Gosia Paterson noted that the staff survey response was only at 47%, and asked whether any action is being taken to improve this. Karen Scott advised that our response rate is typically in the 45-55% range, and we would like this to be higher. We are working with Managers to ensure that staff are supported to complete the survey, such as being able to complete it while on shift, being given protected time at a PC to do so. We follow the guidelines shared by Best Companies on promoting the staff survey.
- (v) Christopher Cowdy asked about impact of feelings towards the pay award on responses. Karen Scott confirmed that we had seen a much higher level of comments relating to pay in the survey than usual, and this was reflective of the feedback received in response to us not being able to pay the Real Living Wage in 2023/24.
- (vi) Jackie Moran asked whether the forecast vacancy factor is realistic, given the employee cost overspend in 2023/24. Karen Scott explained that, with hindsight, the 6% vacancy factor was way too high. For 2024/25 this has been set at a more realistic 3%, which is in line with previous (pre-Covid) years.

Item 4(iii) - Customer Experience

- (i) Claire Rusack talked to the Customer Experience Report.
- (ii) Sanne Dijkstra-Downie asked if the customer experience includes the website experience. Claire Rusack confirmed that it includes the bookings and website customer journeys, and customer feedback is one of the drivers for us working on a new website to improve this.
- (iii) John Taylor asked if there was any correlation on value for money and customer experience, given the recent price increases. Claire Rusack confirmed that the ratio of comments relating to value for money has increased to 10% of comments.

- (iv) John Taylor reflected that this is an indication of current market conditions, which although it shouldn't prevent us from increasing prices, we do need to be cognisant and include perceptions of value for money in pricing risk assessments.

Item 4(iv) - Health & Safety

- (i) Claire Rusack talked to the Health & Safety report.
- (ii) Colin Mumford recognised the significance of the fact that our staff responded so well to three cardiac arrest situations. He noted that this is a phenomenal success rate and would like the teams involved all recognised for this. Claire Rusack confirmed that we do write to the team to commend them – some of them have since been recognised by ambulance crews and other medical personnel. There was a general acknowledgement of the quality of training and response of our staff involved in these difficult situations.
- (iii) Colin Mumford asked about our approach to defending claims for accidents, and Claire Rusack confirmed that we follow guidance and support from our insurers.

Item 4(v) - Wellbeing

- (i) Helen talked to the Wellbeing Report
- (ii) Jackie Moran asked how many users are impacted by the three programmes at risk. Helen Macfarlane explained that it could be as many as 1000 young people. Number of staff involved in running these programmes is around 10. Helen Macfarlane explained that we are taking steps to protect our resources and make them less at risk to funding ending.
- (iii) John Taylor asked if any programmes have any spare capacity. Helen Macfarlane explained that we have increased demand across the board and are struggling to meet this. She gave the example of Steady Steps, where referrals are up 29%, we have been able to add 4 new sessions and now deliver 35 classes per week, however, we still have 350 people on the wait list. And this is a programme that is facing a 10% reduction in its funding.
- (iv) Evelyn Kilmurry noted the challenges around planning and commissioning wellbeing services and explained that there is a meeting coming up with strategic partners in NHSL, H&SC & CEC to explore these further. This is based on the workshops that were started in Autumn 2023. Hopeful that this more structured approach will help protect these services.
- (v) John Evans asked what trusts we are trying to work with – Helen Macfarlane explained that we are working hard in this space. There is an issue with perception of our status, with many trust funds giving feedback that we don't meet their fundable body criteria. Work is going to continue to look at every option for attracting funding, including working with partners on collaborative bids.

- (vi) Christopher Cowdy asked why the report had no funding against Get Active and Stay Active work. Helen Macfarlane explained that we don't seek external funding to support some of our work, e.g. work on poverty access, such as Community Access, and Get Active passes. Stay Active Membership does not require external funding. Christopher Cowdy asked where we get referrals from. Helen Macfarlane explained that there are lots of referral sources, such as GP, link workers, NHS, social work etc.

Item 4(vi) - Community Access to Sports Facilities in High Schools

- (i) Perrotine Orr talked to the Community Access to Sports Facilities in High Schools report.
- (ii) Gosia Paterson asked for clarification on the maintenance issues that were resulting in loss of service. Perrotine Orr confirmed that the maintenance responsibility is with the school estate, not us. We do work with the schools to resolve this where possible, for example we are currently exploring whether we can share the purchase of pool chemicals. Gosia Paterson asked whether there a way for EL to look at taking over the maintenance of the school estate. Perrotine Orr advised she didn't know whether this had been considered, nor whether there is appetite from EL to do so as it would be significant work and expense.

Item 4(vii) - Asset Management Plan

- (i) Kevin Johnston talked to the Asset Management Plan.

Item 4(viii) - Energy & Sustainability

- (i) Kevin Johnston talked to the Energy & Sustainability Report.
- (ii) Christopher Cowdy asked whether we change pool temps seasonally (i.e. warmer in winter, cooler in summer). Kevin Johnston explained that we currently don't do this, however he will ask the team if there is any feasibility to do this. ACTION: Kevin Johnston will follow seasonality change of pool temperatures with the Energy & Sustainability team.
- (iii) Alex Staniforth asked whether, in places where we don't have solar panels planned, could solar panels be planned in future refurbishment of those venues. Kevin Johnston explained that the panels that have been installed so far have been placed on roofs that have the ability to support them. When the funding was initially provided, the team didn't look at, or further consider, buildings that had roofs with known issues. The question is now being considered when we are working on refurbishments. The feasibility of whether we can refurbish a building to meet Net Zero targets is a much harder question, as the work required adds significantly towards costs (with no funding to back up). This whole issue of expenditure on the estate needs much further conversation with CEC.
- (iv) Alex Staniforth asked if we are looking at grant funding for these works. Karen Scott explained that our funding team do search the market for possible grant

funds to support this work, however, available pots are decreasing and demands on them increasing.

- (v) Gosia Paterson asked about goal setting, do we have similar goals (to those in place for CO2 reduction) for water use and re-cycling. She gave an example of water saving achieved due to staff education and engagement in the goal.
ACTION: Kevin Johnston noted the benefits of this approach and will ask the E&S team to explore options for doing this along with additional education.

Item 4(ix) - Marketing & Sales

- (i) Jill Davidson spoke to the Marketing and Sales report.
- (ii) Jill Davidson explained that one of the uplifts in our income in the final quarter of 2023/24 was due to our passes campaign. We usually do that campaign in April to books the May sales campaign, but this year we ran it in March and raised £55K of additional (unbudgeted) income.
- (iii) John Evans asked how Return on Investment (ROI) and yield was calculated for decision making. Jill Davidson explained that we assess the value of agency expenditure based on engagement, which is measured from click throughs to ads. For yield, the figure is based on the income reports compared to expenditure (??).
- (iv) Colin Mumford recognised that a lot of good work has taken place, and noted these are great results, particularly given the risks shared and discussed during the pricing discussions. This was noted by others in the Board.

Item 4(x) - Gender Pay Gap

- (i) Karen Scott spoke to the Gender Pay Gap report.
- (ii) The Board approved the publication of this report.

17:37 Gavin Mann and Jill Davidson left meeting

Item 5 - Governance Re-Appointment of Board Member and Chair of Board

- (i) The Board is notified that the Chair of the Board, Scott Haldane, 3rd term of office ended on the 3rd March 2024. The Board are therefore asked to retrospectively reappoint Scott Haldane as a Director and to continue in his capacity as the Chair of the Board. In addition, Scott has indicated his intention to stand down from the EL Board when the process to appoint a new Chair is concluded.
- (ii) The Board is notified that Colin Mumford's 4th term of office ends on the 23rd May and Colin has indicated that he will not stand for a 5th term however Colin also has indicated his intention to remain on the Board until the process to recruit new Board members is concluded. The Board are therefore asked to reappoint Colin Mumford to continue in his capacity as a director.

Recommendations

- (i) The Board is asked to retrospectively approve the reappoint Scott Haldane to the Board and therefore to continue in his position as the Chair of the Board for the time being. **AGREED**
- (ii) The Board is asked convene a meeting to appoint a Chair of the Board. **AGREED**
ACTION: Jen Holland will get an update from Scott on this process
- (iii) The Board is asked to approve the reappointment of Colin Mumford as a Director until a replacement is found **AGREED** *(and noted desire to do something to recognise Colin's long service when he does get to escape)*
- (iv) The Board is asked to approve the move to recruitment of 3 new Directors (to replace Scott Haldane, Colin Mumford and fill the vacancy that is seeking community sport club knowledge/experience). **AGREED**

FOISA S33(1)(b)

[REDACTED]

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Item 6 - A.O.B

- (i) Gosia Paterson thanked everyone involved for all for preparation of papers and the presentations.
- (ii) Alex Staniforth asked for an update on the implementation of the pitch strategy. Perrotine Orr explained that the report is complete and recommendations being actioned. John Evans asked what the engagement has been from clubs. Perrotine Orr highlighted engagement from clubs has been very high. **Action:** Perrotine Orr to share with John Evans the list of clubs who were consulted as part of the pitch strategy.


Item 7 - Date of next meeting is 1st July 2024

- (i) Gosia Paterson gave her apologies for this meeting

- REPORT TITLE: Finance & Usage Performance

DATE: 1 July 2024

Agenda Item No: 4

COMMERCIAL DIRECTOR: 
Kevin Johnston

CHIEF EXECUTIVE: 
Jen Holland

Report Ref: ELREP1386

1. Purpose

1.1 To advise the Board of the financial performance for the two months to May 2024.

2. Decision Required

2.1 No.

3. Recommendations

3.1 N/A.

4. Key Issues

4.1 The net operating financial position to May was **break even, £20k ahead** of the budgeted deficit of £20k.

4.2 The start to the current financial year has been something of a mixed bag, with encouraging performances in income almost offsetting the extent to which staffing costs exceeded budget.

4.3 Other expenditure variances to budget have almost balanced each other out with an unbudgeted impact from non-domestic rates (NDR) wiping out most of the underspends in other property and supplies costs.

5. Further details can be obtained from:

Kevin Johnston by email at kevinjohnston@edinburghleisure.co.uk

6. Additional Information

6.1 Corporate Position

A summary of the Income & Expenditure position is shown below.

TABLE 1 : INCOME & EXPENDITURE SUMMARY - 2 MONTHS TO 31 MAY 2024

	COMPARISON TO BUDGET				COMPARISON TO LAST YEAR		
	ACTUAL	BUDGET	VARIANCE		LAST YEAR	VARIANCE	
	£K	£K	£K	%	£K	£K	%
OPERATING INCOME	4,706	4,645	61	1 %	4,266	440	10 %
MANAGEMENT FEE	2,039	2,039	0	0 %	1,339	700	52 %
TOTAL INCOME	6,745	6,684	61	1 %	5,605	1,140	20 %
EMPLOYEE COSTS	(3,665)	(3,599)	(66)	(2)%	(3,239)	(426)	(13)%
PROPERTY COSTS	(1,921)	(1,833)	(88)	(5)%	(1,538)	(383)	(25)%
SUPPLIES & SERVICES	(1,159)	(1,272)	113	9 %	(1,099)	(60)	(5)%
TOTAL EXPENDITURE	(6,745)	(6,704)	(41)	(1)%	(5,876)	(869)	(15)%
NET INCOME/(EXPENDITURE)	0	(20)	20		(271)	271	

6.2 The employee cost variance for the two months contains a charge of £20k for holiday pay payments to zero hours workers in relation to holidays earned in the previous year. A further £16k of the employee costs variance to budget came in the fitness coaching category as some centres were able to increase their fitness class provision, thereby deriving additional income. The balance of £30k over budget for employee costs may be due to the budgeted vacancy factor of 3% being higher than the net average level of vacancies in the 2 months.

6.3 The main component of the property cost overspend related to non-domestic rates (NDR). The Barclay review of NDR was commissioned in 2016 by the Scottish Government to explore how the rates system could better support business growth, long term investment and reflect changing marketplaces. The report was published in 2017 and made 30 recommendations. The last of those 30 recommendations was “Commercial activity on current exempt parks and Local Authority (council) land vested in recreation should pay the same level of rates as similar activity elsewhere so as to ensure fairness.” Despite Edinburgh Leisure providing activities on parks and pitches at a heavily subsidised level (they run at a very substantial net operating deficit) we are now subject to charges of over £400k per annum for NDR on those spaces. Transitional relief of 2/3 in the first year of implementation (2023/24) and 1/3 in the second year (2024/25) is available which doesn't take away from the ultimate position in 2025/26 and beyond, but reduces cost in the early years. It has taken a long time for the transitional relief to be confirmed and we were notified on 19th May that there is a cap on the level of transitional relief available to an organisation, meaning that we were unable to be granted transitional relief for Meggetland Sports Complex which resulted in an unexpected impact of £67k in respect of 2023/24 and £33k in respect of 2024/25. We have reflected that £100k unbudgeted total in our May accounts.

6.4 As always at this time of year we are reluctant to “bank” underspends on supplies and services, the largest of which after two months is in our marketing expenditure which we

expect to be a reflection of timing with some work being delayed until later in the year than originally budgeted.

7. Detailed Analysis

7.1 Appendices 1 and 2 provide more detailed analysis on the financial and usage performance by activity and venue respectively.

Appendix 1 Detailed Activity Analysis

Activity	YTD Visits '000					YTD Income £000				
	Actual	Target	Prior Year	Versus Target	Versus Prior Year	Actual	Budget	Prior Year	Versus Budget	Versus Prior Year
Health & Fitness	266	259	235	3 %	13 %	1,729	1,686	1,507	3 %	15 %
DRY (inc ext lets & education)	168	168	168	0 %	0 %	490	479	459	2 %	7 %
Swimming	174	171	151	2 %	15 %	585	582	531	1 %	10 %
Coaching	100	94	87	6 %	15 %	860	880	757	(2)%	14 %
Golf	27	35	34	(23)%	(21)%	335	382	353	(12)%	(5)%
Other	49	47	47	4 %	4 %					
Soft Play						212	204	183	4 %	16 %
Special Events						86	48	42	79 %	105 %
Discount Card						15	10	11	50 %	36 %
Equipment Hire & Sales						56	60	55	(7)%	2 %
Vending & Catering						236	227	214	4 %	10 %
Other Operating Income						102	87	154	17 %	(34)%
Total Operating						4,706	4,645	4,266	1 %	10 %
CEC Management Fee						2,039	2,039	1,339	0 %	52 %
TOTAL	784	774	722	1 %	9 %	6,745	6,684	5,605	1 %	20 %
<u>Extended lets included above</u>										
Wet						105	102	96	3 %	9 %
Dry						164	174	178	(6)%	(8)%
Total						269	276	274	(3)%	(2)%

7.2 The income upside for health and fitness continues a trend we experienced throughout the previous financial year. With budgets having been set in Q4 it is encouraging to see stronger than budgeted performances with five venues posting upsides of more than £5k for the two months.

7.3 Our special events income has come in at almost double the budget amount for the start of the year due in the main to income from filming of an external media production at one of our venues.

7.4 The largest component of the upside in Dry admissions has been from our Clip 'n Climb product at EICA which has been even more popular than we expected.

7.5 The counter to these strong upsides on income has been our golfing provision which is, to a large extent, weather dependent with a relatively high number of course closures (over 50) happening due to the wet weather in the first two months of the year. Membership income levels are only 7% adrift of budget, but casual pay for play use was £30k below the budgeted amount.

Appendix 2
Detailed Site Analysis - 2 Months to May 2024

Activity	YTD Visits				YTD Income					YTD Expenditure					Operational Surplus / (Deficit)				
	Actual	%Versus Target	% Versus Prior Year	Actual	Versus Budget	Versus Prior Year	% Versus Budget	% Versus Prior Year	Actual	Versus Budget	Versus Prior Year	% Versus Budget	% Versus Prior Year	Actual	Budget	Prior Year	Versus Budget	Versus Prior Year	
Craiglockhart	53,298	-2%	8%	301,399	3,153	20,587	1%	7%	300,914	6,761	-19,081	2%	-7%	485	-9,429	-1,022	9,914	1,507	
Jack Kane	10,040	-5%	-5%	28,043	-2,507	-219	-8%	-1%	73,801	2,192	-5,509	3%	-8%	-45,759	-45,444	-40,032	-315	-5,727	
Kirkliston	5,403	2%	13%	31,239	-436	5,322	-1%	21%	44,993	4,382	2,600	9%	5%	-13,754	-17,700	-21,676	3,946	7,922	
Meadow bank	92,585	0%	-2%	404,740	-9,533	53,714	-2%	15%	543,697	-5,861	-30,291	-1%	-6%	-138,957	-123,564	-162,380	-15,393	23,423	
Tumbles at Portobello	26,303	12%	12%	208,325	7,078	15,199	4%	8%	210,496	-3,980	-33,872	-2%	-19%	-2,171	-5,269	16,502	3,098	-18,673	
EICA	27,203	8%	14%	466,425	50,303	69,247	12%	17%	472,729	-25,512	-57,646	-6%	-14%	-6,305	-31,095	-17,905	24,790	11,600	
Saughton	17,561	-13%	-13%	24,388	-386	737	-2%	3%	42,857	-643	-7,522	-2%	-21%	-18,469	-17,440	-11,684	-1,029	-6,785	
Waverley Court							#DIV/0!	#DIV/0!				#DIV/0!	#DIV/0!						
Total Dry Centres	232,393	0%	2%	1,464,558	47,672	164,587	3%	13%	1,689,488	-22,661	-151,320	-1%	-10%	-224,930	-249,940	-238,196	25,011	13,266	
Ainslie Park	59,755	11%	22%	299,821	11,505	38,117	4%	15%	293,877	8,100	-16,902	3%	-6%	5,944	-13,661	-15,272	19,605	21,216	
Drumbrae	56,037	18%	22%	304,197	12,265	39,205	4%	15%	274,984	-6,405	-15,996	-2%	-6%	29,214	23,353	6,005	5,861	23,209	
Dalry	17,585	-6%	-4%	98,660	-531	-1,404	-1%	-1%	119,015	-7,073	-8,179	-6%	-7%	-20,355	-12,751	-10,772	-7,604	-9,583	
Gracemount	47,104	4%	16%	242,383	12,646	31,767	6%	15%	269,495	-3,212	-38,449	-1%	-17%	-27,111	-36,546	-20,430	9,434	-6,682	
Glenogle	26,619	6%	33%	124,823	5,195	17,982	4%	17%	132,585	2,743	-5,201	2%	-4%	-7,762	-15,700	-20,542	7,938	12,780	
Leith Victoria	55,444	12%	12%	262,772	3,325	21,162	1%	9%	247,429	16,327	-24,368	6%	-11%	15,343	-4,309	18,549	19,652	-3,206	
Portobello Swim	32,563	2%	2%	201,433	-14,528	8,000	-7%	4%	246,957	-8,234	-11,453	-3%	-5%	-45,524	-22,762	-42,071	-22,762	-3,453	
Queensferry High							#DIV/0!	#DIV/0!				#DIV/0!	#DIV/0!						
RCP	136,187	1%	0%	942,798	18,948	42,550	2%	5%	1,011,224	4,800	-82,805	0%	-9%	-68,426	-92,173	-28,171	23,747	-40,255	
Warrender	30,891	-9%	806%	179,141	16,450	61,756	10%	53%	149,990	-7,669	-61,612	-5%	-70%	29,151	20,370	29,008	8,781	143	
Total Wet Centres	462,185	5%	17%	2,656,029	65,275	259,134	3%	11%	2,745,555	-623	-264,965	0%	-11%	-89,527	-154,179	-83,695	64,652	-5,831	
Braid Hills Golf Course	4,644	-16%	-14%	79,231	-6,100	876	-7%	1%	73,909	-9,700	-24,815	-15%	-51%	5,322	21,122	29,261	-15,800	-23,939	
Carrick Knowe Golf Course	6,490	-22%	-20%	89,120	-7,147	263	-7%	0%	63,007	4	-6,107	0%	-11%	26,113	33,256	31,957	-7,143	-5,844	
Craigentiny Golf Course	4,557	-31%	-29%	60,679	-7,330	-2,248	-11%	-4%	81,548	-24,403	-34,973	-43%	-75%	-20,869	10,864	16,352	-31,733	-37,221	
Portobello Golf Course	2,692	-58%	-14%	25,692	-3,799	-2,386	-13%	-8%	23,230	-5,148	-4,567	-28%	-24%	2,463	11,410	9,416	-8,947	-6,954	
Princes Golf Course	2,920	-2%	-5%	33,770	-819	2,003	-2%	6%	15,133	-1,959	-3,416	-15%	-29%	18,637	21,414	20,049	-2,778	-1,412	
Silver Knowes Golf Course	5,829	-29%	-27%	72,174	-13,376	-6,897	-16%	-9%	51,521	17,155	-1,330	25%	-3%	20,654	16,875	28,881	3,779	-8,227	
Grounds Maintenance & Golf Mgmt				2,500	2,500	2,500	#DIV/0!	#DIV/0!	116,767	1,743	-18,141	1%	-18%	-114,267	-118,510	-98,626	4,243	-15,641	
Sub Total Golf	27,132	-23%	-20%	363,166	-36,071	-5,888	-9%	-2%	425,114	-22,309	-93,349	-6%	-28%	-61,948	-3,568	37,290	-58,379	-99,237	
Outdoor	61,847	-8%	-7%	91,285	-12,023	-9,859	-12%	-10%	298,447	-88,517	-129,289	-42%	-76%	-207,163	-106,622	-68,014	-100,540	-139,149	
Central Functions				130,970	-3,475	32,304	-3%	33%	1,587,036	91,806	-230,132	5%	-17%	-1,456,066	-1,544,397	-1,258,238	88,331	-197,828	
Closed Venues							#DIV/0!	#DIV/0!				#DIV/0!	#DIV/0!						
Total Operating	783,557	1%	8%	4,706,008	61,378	440,277	1%	10%	6,745,640	-42,304	-869,056	-1%	-15%	-2,039,633	-2,058,707	-1,610,854	19,074	-428,779	
CEC Management Fee				2,039,167	0	700,000	0%	52%						2,039,167	2,039,167	1,339,167	0	700,000	
TOTAL	783,557	1%	8%	6,745,174	61,378	1,140,277	1%	20%	6,745,640	-42,304	-869,056	-1%	-15%	-466	-19,540	-271,687	19,074	271,221	

8. Balance Sheet and Cashflow

Appendix 3 Edinburgh Leisure Balance Sheet (£000's)


	31 May 24	31 May 23	Change	31 Mar 24
Fixed Assets	5,927	5,342	585	5,954
Stocks	60	51	9	55
Debtors	2,103	2,096	7	1,912
Cash in Hand	13,719	9,205	4,514	2,870
Creditors < 1 year	(14,256)	(9,887)	(4,369)	(3,497)
Creditors > 1 year	(598)	0	(598)	(598)
Pension Surplus	8,017	4,232	3,785	8,017
Net Assets / (Liabilities)	14,972	11,039	3,933	14,713
Unrestricted Reserves	(4,876)	(3,954)	(922)	(4,760)
Designated Reserves	(675)	(1,421)	746	(629)
Pension Reserve	(8,017)	(4,232)	(3,785)	(8,017)
Restricted Funds	(1,404)	(1,432)	28	(1,307)
Total Funds	(14,972)	(11,039)	(3,933)	(14,713)

- 8.1 The fixed asset carrying values increase since May 23 is due to the investments we made later in the last financial year, particularly on grounds maintenance vehicles, golf equipment and gym kit replacements.
- 8.2 The higher cash balance at May 24 compared to a year earlier is the receipt of £4.2m +VAT of additional support from City of Edinburgh Council in April 2024. This amount is being evenly released to income throughout the year, hence the increased balance in short term creditors.
- 8.3 The increase from zero in long term creditors reflects the need for us to obtain external asset financing for much of the fixed asset acquisitions referred to in section 8.1.

- 8.4 The pension surplus increase comes from the annual FRS102 reports from the actuary, where the asset ceiling adjustment has reduced by £4m, resulting in a higher surplus value of a similar order.
- 8.5 Cashflow projections have been prepared through to the end of March 2025 and show adequate levels of liquidity to allow approval of budgeted investments when their respective business cases are ready for review.

REPORT TITLE: Changes to the Memorandum and Articles of Association re Board Membership

DATE: 1 July 2024

CHIEF EXECUTIVE: 
Jen Holland

Agenda Item No: 5

Report Ref: ELREP1387

1. Purpose

- 1.1 This paper formalises the agreed changes to Board Membership within the Memorandum and Articles of Association. This changes was previously agreed by Board in 2022. As part of our ongoing commitment to effective governance and compliance, we require making amendments to our company's Memorandum and Articles of Association to reflect previous decisions. These changes aim to align our governing documents with our evolving business needs and legal requirements.

2. Decision Required

- 2.1 Yes

3. Recommendations

- 3.1 To approve the change to remove specification of a nominated member for both Trade Unions - UNISON and Edinburgh Sports Forum or successor body.

4. Background

- 4.1 Our current Memorandum and Articles of Association were adopted on 29th August 2016. Since then, our business landscape has evolved, necessitating updates to reflect our current operations, objectives, and legal obligations.
- 4.2 We propose modifying 3 specific clauses within our existing articles to enhance clarity, flexibility, and alignment with best practices and previous approval by Board.
- 4.3 The proposed changes remove the worded requirement in the Articles is Section 3.1, 4.1 and 49A(2) which previously specified a nominated member from a trade union UNISON and one member nominated by the Edinburgh Sports Forum or predecessor and would amend the Memorandum and Articles to state this. The reason for both these decisions was difficulty in engaging a nominated member to the Board.

- 4.4 In 2022 Board took the decision to remove both these roles, as required nominated members and agree that the skills matrix would be updated for advertising for Board Members to include the requirement for someone to have experience in Club sport
- 4.5 The revised Memorandum and Articles are attached for your review (see Appendix 1).
- 4.6 As per legal requirements, any changes to our constitution must be approved by our Board. We then will submit to Companies House within 15 days of the resolution being passed. This is a legal requirement
5. **Further details can be obtained from:**
Jen Holland on tel. 0131 458 2100 or by email at jenholland@edinburghleisure.co.uk
6. **Additional Information**
Appendix 1

**MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
EDINBURGH LEISURE
COMPANY NO. SC 179259
AMENDED BY SPECIAL RESOLUTION
MEETING HELD ON 29 AUGUST 2016**

A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF EDINBURGH LEISURE

1. The name of the Company is EDINBURGH LEISURE.
2. The Company's registered office is to be situated in Scotland.
3. The Company shall be established for charitable objects only in accordance with Section 505 of the Income and Corporation Taxes Act 1988 (including any statutory amendment or re-enactment from time to time in force).
 - 3.1 Without prejudice to the foregoing generality, the Company is established:-
 - (One) To provide or assist in the provision of, facilities for recreation or other leisure time occupation in the interests of social welfare for the general public and in particular in connection with the local authority area of The City of Edinburgh as defined in the Local Government etc. (Scotland) Act 1994 (hereinafter referred to as "the Community") with the object of improving the conditions of life for the Community; and
 - (Two) To provide, whilst providing or assisting in the provision of such facilities for the Community, special facilities for persons who by reason of their youth, infirmity or disability, poverty or social and economic circumstances may need special facilities; and
 - (Three) To promote good health among the Community through health education directed to the part which healthy eating and standards of nutrition together with exercise play in the maintenance of good health".

and in furtherance of the Objects of the Company but not otherwise, the Company shall have the following powers:~

- 3.2 To operate whether by purchase, lease, gift or otherwise on such terms and conditions as the Company may deem appropriate leisure and recreational facilities within the City of Edinburgh or elsewhere in Scotland and to construct, develop, adapt, modify, renovate and maintain such facilities to be used for the advancement of the Objects of the Company or any of them and to enter into all or any contracts in connection therewith.
- 3.3 To present, promote, organise, manage and produce leisure and recreational events, plays, operas, operettas, ballets, dance productions, musicals, concerts, recitals, performances of contemporary and folk music, films, publications, radio broadcasts and television performances, lectures, exhibitions, musical, dramatic and such other entertainments, performances and exhibitions and to employ or engage other persons, organisations, firms or companies to present, produce, manage, conduct or represent such leisure and recreation events and artistic, dramatic, musical, operatic or other performances as aforesaid.

- 3.4 To carry on at the said leisure and recreational facilities or elsewhere all or any of the businesses of recreation and leisure events, theatre, opera-house, cinema or picture gallery proprietors or agents, play, theatrical, operatic programme and general publishers and printers, scenery, and proscenium painters, leisure, recreational, theatrical, musical and operatic agents and business conference or other conference organisers.
- 3.5 To purchase or otherwise acquire and obtain exclusive and other interests in copyrights and the rights of representation and any other rights of or in plays, operas, or other compositions which can be used or adapted for the Objects of the Company or any of them.
- 3.6 To provide and arrange facilities for travel, accommodation and catering for the welfare of users of the leisure and recreational facilities to be provided.
- 3.7 To purchase or otherwise acquire equipment, plant, machinery, furniture, fixtures, fittings, and all other effects of every description necessary or convenient or usually or normally used for the purpose of all or any of the Objects of the Company.
- 3.8 To promote recreational, leisure and artistic activities as aforesaid in industry, commerce and the community in general within the United Kingdom and Scotland.
- 3.9 To liaise with, form connections with and enter into joint ventures with other recreational, leisure and/or artistic associations based either in Scotland or abroad which have similar objects to the Company or with such associations as the Directors may from time to time determine would be beneficial for or promote directly or indirectly the Objects of the Company or any of them.
- 3.10 To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the Objects of the Company.
- 3.11 To purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the Company.
- 3.12 To improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the Company.
- 3.13 To sell, feu, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the Company.
- 3.14 To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person.
- 3.15 To borrow money and give security for the payment of money by, or the performance of other obligations of, the Company or any other person.
- 3.16 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

- 3.17 To remunerate any individual in the employment of the Company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual who is or was at any time in the employment of the Company and the wife, widow, relatives and dependents of any such individual; and to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.
- 3.18 To promote any private Act of Parliament, Provisional Order and other authority to enable the Company to carry out its objects, alter its constitution, and achieve any other purpose which may promote the Company's interests, and to oppose or object to any application or proceedings which may prejudice the Company's interests.
- 3.19 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the Company and to obtain from any such Organisation, government or authority any charter, right, privilege or concession.
- 3.20 To enter into partnership or any other arrangement for sharing profit, co-operation or mutual assistance with any charitable body, whether incorporated or unincorporated.
- 3.21 To give any debentures or securities and accept any shares, debentures or securities as consideration for any business, property and rights acquired or disposed of.
- 3.22 To effect insurance against risks of all kinds.
- 3.23 To invest moneys of the Company not immediately required for the purposes of its activities in such investments and securities (including land in any part of the world) and that in such a manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirements) and to dispose of and vary such investments and securities.
- 3.24 To promote companies whose activities may further one or more of the above objects or which may generate income to support one or more of the above objects, acquire and hold shares, stocks, debentures and other interests in such companies and carry out, in relation to any such Company which is a subsidiary of the Company, all such functions as may be associated with a holding Company.
- 3.25 To establish and support any association or other unincorporated body having objects altogether or in part similar to those of the Company and to promote any Company or other incorporated body formed for the purpose of carrying on any activity which the Company is authorised to carry on.
- 3.26 To amalgamate with any charitable body, incorporated or unincorporated, having objects altogether or in part similar to those of the Company.
- 3.27 To subscribe for, take, purchase and otherwise acquire and hold shares, stocks, debentures and other interests in any Company with which the Company is authorised to amalgamate and to acquire and take over the whole or any part of the undertaking, assets and liabilities of any body, incorporated or unincorporated, with which the Company is authorised to amalgamate.
- 3.28 To transfer all or any part of the undertaking, property and rights of the Company to any body, incorporated or unincorporated, with which the Company is authorised to amalgamate.

- 3.29 To subscribe and make contributions to or otherwise support charitable bodies, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the Company or with the furtherance of its objects.
- 3.30 To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the objects of the Company.
- 3.31 To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the Company, whether by way of subscriptions, grants, loans, donations or otherwise.
- 3.32 To carry out any of the objects of the Company [in any part of the world] as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others.
- 3.33 To do anything which may be incidental or conducive to the attainment of any of the objects of the Company.

And it is declared that in this clause where the context so admits, "property" means any property, heritable or moveable, real or personal, wherever situated.

- 4.1 Subject to clause 4.2
 - (a) the income and property of the Company shall be applied solely towards the promotion of the objects of the Company.
 - (b) no part of the income and property of the Company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to the members of the Company
 - (c) no director of the Company shall be appointed to any office under the Company in respect of which a salary or fee is payable and
 - (d) no benefit in money or money's worth shall be given by the Company to any director except repayment of out-of-pocket expenses.
- 4.2 The Company shall, notwithstanding the provisions of clause 4.1, be entitled
 - (a) to pay reasonable and proper remuneration to any director or member of the Company in return for services (not being of a management nature) actually rendered to the Company
 - (b) to pay interest at a rate not exceeding the commercial rate on money lent to the Company by any director or member of the Company
 - (c) to pay rent at a rate not exceeding the open market rent for premises let to the Company by any director or member of the Company and
 - (d) to purchase assets from, or sell assets to, any director or member of the Company providing such purchase or sale is at market value.
5. The liability of the members is limited.

6. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he/she/it is a member or within one year after he/she/it ceases to be a member, for payment of the Company's debts and liabilities contracted before he/she/it ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.
- 7.1 If on the winding-up of the Company any property remains after satisfaction of all the Company's debts and liabilities, such property shall not be paid to or distributed among the members of the Company but shall be transferred to some other charitable body or bodies (whether incorporated or unincorporated) whose objects are altogether or in part similar to the objects of the Company and whose constitution restricts the distribution of income and assets among members to an extent at least as great as does clause 4 of this memorandum of association.
- 7.2 The body or bodies to which property is transferred under clause 7.1 shall be determined by the members of the Company at or before the time of dissolution or, failing such determination by such court as may have or may acquire jurisdiction.
- 7.3 To the extent that effect cannot be given to the provisions of clauses 7.1 and 7.2. the relevant property shall be applied to some other charitable object or objects.
- 8.1 Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall. in particular, contain entries from day to day of all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the Company; such accounting records shall be open to inspection at all times by any director of the Company.
- 8.2 The Company's auditors shall make a report to the members on the accounts examined by them and on every balance sheet and income and expenditure account and on all group accounts, copies of which are to be laid before the Company in general meeting.

THE COMPANIES ACTS 1985 as amended by THE COMPANIES ACT 1989

A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

**ARTICLES OF ASSOCIATION
OF EDINBURGH LEISURE**

1 DEFINITIONS AND INTERPRETATION

In these Articles, the words and expressions below shall have the following meanings unless the context requires otherwise:

"the Act"	means the Companies Act 1985 and the Companies Act 2006 (to the extent in force from time to time), including any statutory modification or re-enactment thereof for the time being in force;.
"Articles"	means these articles of association together with any duly authorised amendments or alterations from time to time, and the term, and "Article" shall be a reference to a regulation contained in these Articles;
"the Board"	means the Board of Directors of the Company;
"the Company"	means Edinburgh Leisure:
"Corporate Member"	is a firm; partnership; Company; body, both corporate and incorporate, club, society or organisation who is a Member of the Company;
"Director"	means a person (of 18 years of age and over) who is a Director of the Company or any alternate Director duly appointed in accordance with these Articles;
"Individual Member"	means a male or female person who is a Member of the Company;
"member" or "Member"	means a male person, female person, firm, partnership, company, body both corporate and incorporate, society, club or other organisation who has agreed to become a member of the Company and for the time being is registered as a Member in the Register of Members of the Company;
"Memorandum"	means the Memorandum of Association of the Company;
"Office"	means the registered office from time to time of the Company;
"ordinary resolution"	means a resolution passed by a majority of the votes cast on a resolution at a general meeting of the Company;
"the Seal"	the common seal of the Company;

"the Secretary"	any person appointed to perform the duties of the Secretary of the Company;
"Statutes"	means the Companies Act 1985 and every other Act for the time being in force concerning companies and the Company;
"the United Kingdom"	Great Britain and Northern Ireland;
"clear day"	in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"month"	calendar month;
"year"	calendar year;
"in writing"	written, printed, typewritten, telexed, faxed, lithographed or produced or any other mode of representing or reproducing words in a legible or non transitory form partly one and partly another.

And, unless the contrary intention appears:

Words importing the singular number shall include the plural number and vice versa;

Words importing a particular gender include any gender;

Reference to a "person" include any natural person, or any legal person, body or organisation, incorporated or unincorporated, and any other person;

The headings in these Articles are for convenience only and shall not effect the construction of the Articles;

Reference to any time of day shall be construed as the time in the United Kingdom expressed in terms of the twenty four hour clock;

Words and expressions defined in the Act shall bear the same meaning in these Articles, including any statutory modifications to those defined terms, not in force at the date these Articles becomes binding on the Company;

Save as aforesaid, any words or expressions defined in the Statutes shall, if not inconsistent with the subjects or context, bear the same meaning in these Articles.

Members

2. The subscribers to the memorandum of association of the Company, the City of Edinburgh Council and their statutory successors and such other persons as are admitted to membership in accordance with the articles shall be members of the Company. There shall be a maximum of fifteen members at any time.

Categories of Member

3. There will be three classes of members:

- 3.1 Nominated Members - The City of Edinburgh Council and their statutory successors shall have the right to nominate up to five Nominated Members. **The five Nominated shall also serve as Nominated Directors of the Company.**
- 3.2 Ordinary Member - There shall be one Ordinary Member who will be the same individual who will serve as the Ordinary Director.
- 3.3 Special Co-opted Members - There shall be a maximum of seven Special Co-opted Members who shall be the same individuals who shall serve as Special Co-opted Directors.

Qualification for Membership

- 4.1 **Nominated Members** - These shall be (One) the five Nominated Members who shall be nominated by The City of Edinburgh Council and its statutory successors.
- 4.2 Ordinary Member - There shall be appointed only one Ordinary Member at any one time.
- 4.3 The Ordinary Member shall be appointed in the following manner:-
 - (1) There shall be one Ordinary Member who shall serve for three years following his or her appointment. An Ordinary Member may be reappointed for a further period of three years save that no Ordinary Member may serve for a continuous period of more than three years without being subject to re-election. An Ordinary Member shall serve both as an Ordinary Member and as a Director of the Company for the same period.
- 4.4 Special Co-opted Members - There shall be appointed a maximum of seven Special Co-opted Members at any one time.
 - (1) The Board of Directors shall, in addition to the ability to co-opt members to fill casual vacancies in the number of Members as and when these vacancies may occur (nothing herein shall permit the Directors to appoint more than fifteen Members at any one time) be able to co-opt up to a maximum of seven 'Special Co-opted Members who shall also serve as Special Co-opted directors for the period of three years from the date of their appointment. When co-opting each Special Co-opted Member, the Board of Directors shall have regard to choosing such individuals, generally from industry, commerce and the professions, whose experience and expertise shall strengthen and broaden that of the Board of Directors. A Special Co-opted Member may be reappointed for a further period of three years save that no Special Co-opted Member may serve for a continuous period of more than three years without being subject to re-election. A Special Co-opted Member shall serve both as an Ordinary Member and as a Director of the Company for the same period.
 - (2) When appointing Special Co-opted Members, the Board of Directors shall liaise with the Chamber of Commerce and other business and professional organisations.

5. No employee of the Company may become a member.
6. The directors shall be entitled at their discretion to refuse to admit any person to membership notwithstanding that s/he fulfils one or more of the qualifications under article 4 and is not debarred from membership by article 5.

Application for Membership

7. Any person (other than the subscribers to the memorandum of association of the Company) who/which wishes to become a member shall lodge with the Company a written application for membership (in such form as the directors require) signed by the applicant and in the case of an applicant nominated by a qualifying body signed by the appropriate official of the body nominating the applicant for membership. An applicant shall indicate which type of membership under article 3 she/he wishes to be considered for.
8. A person applying for admission as a member shall lodge such evidence in support of the application as the directors require.
9. Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the Company of the written application (and, if appropriate, supporting evidence) required under the preceding two articles.
10. The directors shall notify each applicant in writing of their decision as to whether or not to admit him/her/it to membership within seven days after the meeting at which the application is considered.

Cessation of Membership

11. A member of the Company shall cease to be a member of the Company on death or if s/he becomes of unsound mind or resigns membership by notice in writing sent to or left with the Secretary at the office.
12. A person admitted to membership shall automatically cease to be a member if s/he becomes an employee of the Company.

Withdrawal from Membership

13. Any person who or organisation which wishes to withdraw from membership shall lodge with the Company a written and signed notice of retiral (in such form as the directors require): on receipt of such notice by the Company membership will cease.

Expulsion from Membership

14. Subject to articles 15 to 19, the Company may, by special resolution, expel any person from membership.
15. Any member who wishes to propose at any meeting a resolution for the expulsion of any person from membership shall lodge with the Company written notice of his/her intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than four weeks before the date of the meeting.
16. The Company shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the member concerned and the member concerned shall be entitled to make written representations to the Company with regard to the notice.
17. If representations are made to the Company in pursuance of the preceding article, the Company shall (unless such representations are received by the Company too late for it to do so):

- (a) state the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed and
 - (b) send a copy of the representations to every person to whom notice of the meeting is or was given.
18. Whether or not a copy of written representations has been given to each of the persons entitled to receive notice of the meeting, the member concerned shall be entitled to be heard on the resolution at the meeting.
 19. Failure to comply with any of the provisions of articles 15 to 18 shall render any resolution for the expulsion of a person from membership invalid.
 20. A person expelled from membership under articles 14 to 19 shall cease to be a member with effect from the time at which the relevant resolution is passed.

General Meetings

21. In accordance with the provisions of the Companies Act 2006, the Company, being a private company, shall not be required to hold an annual general meeting. The approval of the annual accounts and the appointment \ re-appointment of auditors and directors and any other such business as has prior to the adoption of these Articles formed the business of the Company's annual general meeting shall now be carried out at a general meeting to be held no later than 9 months following the end of the preceeding financial year of the Company.
22. A general meeting shall be convened by the directors on requisition by members (under section 303 of the Companies Act 2006) or on requisition by a resigning auditor (under section 518 of the Companies Act 2006).
23. Subject to articles 21 and 22, the directors may convene general meetings whenever they think fit.

Notice of General Meetings

24. A general meeting convened for the passing of a special resolution or a resolution requiring special notice shall be called by at least twenty-one clear days notice; all other general meetings shall be called by at least fourteen clear days notice.
25. A notice convening a meeting shall specify the time and place of the meeting; it shall also state the terms of any resolution which is to be proposed as a special resolution or which constitutes a resolution requiring special notice and shall indicate the general nature of any other business to be transacted at the meeting.
26. ~~Not used~~ 27. Notice of every general meeting shall be given to all the members and directors and to the auditors.
28. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Proceedings at General Meetings

29. No business shall be transacted at any meeting unless a quorum is present; five persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member, shall be a quorum.
30. If the quorum required under the preceding article is not present within 15 minutes after the time appointed for the meeting or if during a meeting such a quorum ceases to be present the meeting shall stand adjourned to such time and place as may be fixed by the chair of the meeting.
31. The Chair (or in his/her absence, the vice Chair) shall (if present and willing to act as chair of the Meeting) preside as chair of the meeting; if neither the Chair nor the vice-Chair is present and willing to act as chair of the Meeting within 15 minutes of the time appointed for holding the meeting the directors present shall elect one of their number to act as Chair or if there is only one director present and willing to act s/he shall be chair of the Meeting.
32. If no director willing to act as Chair of the Meeting is present within half an hour after the time appointed for holding the meeting the members present shall elect one of their number to be Chair.
33. A director shall notwithstanding that s/he is not a member be entitled to attend and speak at any general meeting.
34. The Chair may with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place.
35. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting which was adjourned if the adjournment had not taken place.
36. Where a meeting is adjourned for thirty days or more at least seven clear days notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of the business to be transacted; in any other case it shall not be necessary to give any notice of an adjourned meeting.
37. A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is demanded by the Chair of the Meeting or by at least two members having the right to vote at the meeting and a demand by a person as proxy for a member shall be deemed to be a demand by such member.
38. Unless a poll is demanded in accordance with the preceding article a declaration by the Chair of the Meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

39. The demand for a poll may before the poll is taken be withdrawn but only with the consent of the chairperson; a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made nor the result of a show of hands declared after the demand is so withdrawn.
40. If a poll is demanded in accordance with article 37 It shall be taken at once by means of a secret ballot of all the persons present and entitled to vote (whether as members or as proxies for members) conducted in such manner as the chairperson may direct; the result of such poll shall be declared at the meeting at which the poll was demanded.
41. A resolution in writing signed by all the members shall be as effectual as if it had been passed at a general meeting duly convened and held; it may consist of several documents In the same form each signed by one or more members.

Votes of Members

42. Every member shall have one vote which may be given either personally or (whether on a show of hands or on a poll) by proxy.
43. A member who wishes to appoint a proxy to vote on her/his behalf at any meeting (or adjourned meeting) shall lodge with the Company at the office not less than 48 hours before the time for holding the meeting (or as the case may be adjourned meeting) a written instrument of proxy (in such form as the directors require) signed by her/him; an instrument of proxy which does not conform with the preceding provisions or which is not lodged in accordance with such provisions shall be invalid.
44. A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
45. A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed them to speak at the meeting and need not be a member of the Company.
46. A vote given or poll demanded by proxy shall be valid notwithstanding that the authority of the person voting or demanding a poll had terminated prior to the giving of such vote or demanding of such poll unless notice of such termination was received by the Company at the office before the commencement of the meeting or adjourned meeting at which the vote was given or the poll demanded.
47. In the case of an equality of votes whether on a show of hands or on a poll the chairperson of the meeting shall be entitled to a casting vote in addition to any other vote s/he may have.
48. No objection may be raised as to the validity of any vote except at the meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid; any such objection shall be referred to the chairperson of the meeting whose decision shall be final and conclusive.

Maximum and Minimum Number of Directors

- 49A. (1) The maximum number of directors (other than alternate directors) shall (unless otherwise determined by special resolution) be fifteen and (unless otherwise determined by special resolution) the minimum number of directors shall be 2.

- (2) The City of Edinburgh Council and their statutory successors shall have the right to nominate a maximum of five Directors of the Company, all of which nominees will be known as Nominated Directors. The five Nominated Directors shall be the same parties as have been nominated by The City of Edinburgh Council as Members of the Company. In the event of the nominating body withdrawing their nomination from any individual or individuals or organisation, that person or persons or authorised representative of the member organisation shall forthwith resign both as a Nominated Director and as a Nominated Member of the Company and the nominating body shall be entitled to nominate a replacement Nominated Director/Nominated Member or Nominated Directors/Nominated Members in his/her/its or their place.
- (3) The Board may appoint up to seven Special Co-opted Members/Directors to serve as Directors of the Company for a period up three years from the date of their appointment, after which they must stand for re-election. A Special Co-opted Member/Director may be reappointed for a further period of three years save that no Special Co-opted Member/Director may serve for a continuous period of more than three years without being subject to re-election.
- (4) The Users of Leisure and Recreational Facilities have one position, an ordinary member/Director. Each candidate must be eighteen years of age or older at the date of the selection and must be nominated by a minimum of five users eighteen years or over at the date of the election. In the event of more candidates than vacancies, a selection process in accordance with the selection procedure determined by the Board will be held. The successful candidate will serve three years from the date of appointment. An Ordinary Member/Director may be reappointed for a further period of three years save that no Ordinary Member/Director may serve for a continuous period of more than three years without being subject to re-election.

49B. Any notice of appointment or revocation in terms of this article shall require to be made to the Company in writing and shall be effective from the time of delivery to the registered office of the Company (subject to any new Nominated Director's appointments having previously been notified in writing to the Company).

Appointment, Retiral, Re-appointment

50. The Ordinary Member who wishes to be considered for appointment or re-appointment as a director at the general meeting to be held in accordance with article 21 shall lodge with the Company a written notice of their willingness to be appointed (in such form as the directors require) signed by the Ordinary Member candidate or current Ordinary Member at any time up to the commencement of the said general meeting.
51. At a general meeting to be held in accordance with article 21 the Company may by ordinary resolution appoint as a director any member in respect of whom a written notice of willingness to accept such an appointment has been received in compliance with the preceding article.
52. The directors may at any time appoint any member (providing s/he is willing to act) to be a director to fill a vacancy.
53. A director shall vacate office if:
- (a) s/he ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director
 - (b) s/he becomes bankrupt or apparently insolvent
 - (c) s/he becomes incapable for medical reasons of fulfilling the duties

of his/her office and such incapacity is expected to continue for a period of more than six months

- (d) s/he becomes an employee of the Company
- (e) s/he ceases to be a member of the Company
- (f) s/he resigns office by notice to the Company or
- (g) s/he is absent (without permission of the directors) from more than three successive meetings of directors held in any period of six months or more and the directors resolve to remove her/him from office
- (h) with reference to Nominated Directors only appointed under Articles 49A and 49B hereof, where their Nominating body has have withdrawn their nomination s/he shall immediately vacate office on receipt of written notice of the withdrawal of his. her or their nomination as Nominated Members and Nominated Directors of the Company.

Appointments to Executive Office

- 54. Directors shall be appointed to hold the offices of Chair, vice Chair, treasurer and such other executive offices as the directors may consider appropriate; each such office shall be held, subject to article 57, until the conclusion of the general meeting held in accordance with article 21 which next follows such appointment.
- 55. The appointments to executive office under the preceding article shall, subject to article 58, be made at a meeting of directors held as soon as reasonably practicable after the incorporation of the Company and thereafter at a meeting of directors held immediately after each general meeting held in accordance with article 21.
- 56. A director whose period of executive office expires under article 54 may be re-appointed to such office (providing s/he is willing to act).
- 57. The appointment of any director to executive office shall terminate if s/he ceases to be a director or member of the Company or if s/he resigns from such executive office by notice to the Company.
- 58. If the appointment of any director to executive office terminates under the preceding article, the directors shall, at a meeting of directors held as soon as reasonably practicable after such termination, appoint another director to hold such office in her/his place; a director so appointed shall (subject to article 57) hold such executive office until the conclusion of the first general meeting held in accordance with article 21 which follows such appointment.

Directors' Interests

- 59. Subject to the provisions of the Act and of clause 4 of the memorandum of association and provided that s/he has disclosed to the directors the nature and extent of any material interest of his/hers a director notwithstanding her/his office:
 - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - (c) shall not, by reason of his/her office, be accountable to the Company for any benefit which s/he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

60. For the purposes of the preceding article:
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified and
 - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers.

Directors' Remuneration and Expenses

61. No director shall be entitled to any remuneration, whether in respect of his/her office as director or as holder of any executive office under the Company.
62. The directors may be paid all travelling and other expenses properly incurred by them in connection with their attendance at meetings of directors, general meetings, meetings of committees of directors or meetings of general committees (as defined in article 99) or other wise in connection with the discharge of their duties.

Powers of Directors

63. Subject to the provisions of the Act, the memorandum of association and the articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company.
64. No alteration of the memorandum of association or these articles and no direction given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
65. The powers conferred by article 64 shall not be limited by any special power conferred on the directors by the articles.
66. A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
67. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purpose and on such conditions as they may determine, including authority for the agent to delegate all or any of her/his powers.

Proceedings of Directors

68. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit.
69. Any director may call a meeting of the directors or request the Secretary to call a meeting of the directors.
70. No notice of a meeting of directors need be given to a director who is absent from the United Kingdom.
71. Questions arising at a meeting of directors shall be decided by a majority of votes; in the case of an equality of votes, the chairperson shall have a second or casting vote.
72. A director who is also an alternate director shall be entitled in the absence of her/his appointor to a separate vote on behalf of her/his appointor in addition to her/his own vote.

73. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number, shall be five; a person (other than a director) acting as alternate director shall, if her/his appointor is not present, be counted in the quorum.
74. The continuing directors or a sole continuing director may act notwithstanding vacancies but if the number of remaining directors is less than the number fixed as the quorum, they or s/he may act only for the purpose of filling vacancies or of calling a general meeting.
75. Unless s/he is unwilling to do so, the Chair shall preside as chairperson at every meeting of directors at which s/he is present.
76. If the Chair is unwilling to chair the meeting or is not present within fifteen minutes after the time appointed for the meeting, the vice Chair shall act as Chair of the Meeting; if the vice Chair is not willing to act as Chair of the Meeting or is not present within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairperson of the meeting.
77. All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
78. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held; It may consist of several documents in the same form each signed by one or more directors.
79. A resolution signed by an alternate director need not also be signed by his/her appointor; a resolution signed by a director who has appointed an alternate director need not be signed by the alternate director in that capacity.
80. Except as otherwise provided by the articles a director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which s/he has directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless the interest or duty arises only because the case falls within either or both of the following paragraphs:
 - (a) the resolution relates to the giving to the director of a guarantee security or indemnity in respect of money lent to or any obligation incurred by the director for the benefit of, the Company or any of its subsidiaries;
 - (b) the resolution relates to the giving to a third party of a guarantee security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or part (and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security.

81. For the purposes of the preceding article an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the Company) connected with a director shall be treated as an interest of the director an interest of the appointor of an alternate director shall be treated as an interest of the alternate director.
82. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which s/he is not entitled to vote.
83. The Company may by ordinary resolution suspend or relax to any extent either generally or in respect of any particular matter any provision of the articles prohibiting a director from voting at a meeting of the directors or at a meeting of a committee of directors.
84. Where proposals are under consideration concerning the appointment of two or more directors to executive offices with the Company the proposals may be divided and considered in relation to each director separately; provided he/she is not for another reason precluded from voting each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his/her own appointment.
85. If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote the question may before the conclusion of the meeting be referred to the chairperson of the meeting; the chairperson's ruling in relation to any director other than her/himself shall be final and conclusive.
86. The directors may invite or allow any person to attend and speak but not to vote at any meeting or meetings of the directors or of any committee of the directors.

Alternate Directors

87. A director (other than an alternate director) may if so permitted by resolution of the directors appoint any other director or any other person approved by resolution of the directors and willing to act to be an alternate director and may remove from office an alternate director so appointed by her/him.
88. An alternate director shall subject to the following article be entitled to be given notice of all meetings of directors and of all meetings of committees of directors and meetings of general committees of which his/her appointor is a member to attend and vote at any such meeting at which the director appointing her/him is not personally present and generally to perform all the functions of the appointor as a director in his/her absence.
89. No notice of a meeting of directors a meeting of a committee of directors or a meeting of a general committee need be given to an alternate director who is absent from the United Kingdom.
90. An alternate director shall not be entitled to receive any remuneration from the Company for his/her services as an alternate director.
91. An alternate director shall subject to the following article cease to be an alternate director if his/her appointor ceases to be a director.
92. If a director retires (by rotation or otherwise) but is re-appointed at the meeting at which s/he retires any appointment of an alternate director made by her/him which was in force immediately prior to retirement shall continue after his/her re-appointment.

93. An appointment or removal of an alternate director may be effected by notice given to the Company at the office signed by the director making or revoking the appointment or may be effected in any other manner approved by the directors.
94. An alternate director shall alone be responsible for her/his own acts and defaults; an alternate director shall not be deemed to be the agent of the director appointing him/her.
95. References in the articles to directors shall unless the context otherwise requires be construed as including alternate directors.

Delegation to Committees of Directors and Holders of Executive Office

96. The directors may delegate any of their powers to any committee consisting of one or more directors; they may also delegate to the Chair or any director holding any other executive office such of their powers as they consider desirable to be exercised by her/him.
97. Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.
98. Subject to any condition imposed in pursuance of the preceding article the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.

Delegation to General Committees

99. For the purposes of the articles, "general committee" means a committee appointed by the directors whose constitution complies with article 101.
100. The directors may subject to articles 103, 104 and 105 delegate to any general committee all such powers as the directors may think fit; any such delegate shall be made collaterally with and not to the exclusion of the directors powers and may be revoked or altered.
101. The members of a general committee shall include at least one director and a majority of the other members of the committee shall be members of the Company; the remaining members of the committee need not be members of the Company.
102. The director included among the members of a general committee (or if more than one director is included among the members of the committee the director appointed to such office at a meeting of directors) shall hold office as Chair of the committee.
103. Each general committee shall regulate its proceedings in accordance with the directions issued by the directors and shall give effect to any instruction or decision on matters of principle issued or made by the directors.
104. Unless otherwise determined by special resolution, the following matters shall be excluded from delegation to any general committee:
 - (a) any introduction of a new policy or any change in policy which could have a significant impact on the Company or which would fall within the responsibility of another committee or conflict with the declared policy of another committee.

- (b) any matter involving expenditure not in accordance with the financial regulations of the Company
 - (c) any capital building project.
105. All contracts with third parties in connection with the discharge of the functions of a general committee shall be entered into by the Chair of the committee or in her/his absence by some other director of the Company; no member of a general committee (other than a director) shall contract or hold her/himself out as contracting on behalf of the Company.
106. All acts done by a general committee shall notwithstanding that it is afterwards discovered that there was a defect in the appointment of any member of the committee or that any member of the committee was not qualified to act as such be as valid as if every such person had been duly appointed and was so qualified.
107. A resolution in writing signed by all the members of a general committee shall be as valid and effectual as if it had been passed at a meeting of the committee duly convened and held; it may consist of several documents in the same form each signed by one or more members of the committee.
108. A resolution signed by an alternate director appointed by a director who is a member of a general committee need not also be signed by her/his appointor; a resolution signed by a member of a general committee who has appointed an alternate director need not be signed by the alternate director in that capacity.

Secretary

109. Subject to the provisions of the Act the Secretary shall be appointed by the directors for such term at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

Minutes

110. The directors shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings, meetings of the directors meetings of committees of directors and meetings of general committees; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present.

Accounts

111. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or as authorised by the directors or by ordinary resolution of the Company.

Auditors

112. Auditors of the Company shall be appointed and their duties regulated in accordance with the Act.

Notices

113. Any notice to be given in pursuance of these articles shall be in writing; the Company may give any such notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at his/her registered address or by leaving it at that address.
114. Any notice if sent by post shall be deemed to have been given at the expiry of twenty four hours after posting; for the purpose of proving that any notice was given it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
115. A member present at any meeting of the Company shall be deemed to have received notice of the meeting and where requisite of the purposes for which it was called.

Winding-Up

116. If the Company is wound up the liquidator shall transfer the assets of the Company to an appropriate body in accordance with the provisions of the memorandum of association.

Indemnity

117. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled every director or other officer or auditor or the Company shall be indemnified out of the assets of the Company against any loss or liability which s/he may sustain or incur in connection with the execution of his/her duties of office including without prejudice to that generality any liability incurred in defending any proceedings whether civil or criminal in which judgement is given in her/his favour or in which s/he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default breach of duty or breach of trust in relation to the affairs of the Company.

REPORT TITLE: Audit & Risk Committee Terms of Reference

DATE: 1 July 2024

Agenda Item No: 6

COMMERCIAL DIRECTOR: Kevin Johnston

CHIEF EXECUTIVE: Jen Holland

Report Ref: ELREP1388

1. Purpose

1.1 To review and approve the Terms of Reference (ToR) for the Audit & Risk Committee (Appendix 1).

2. Decision Required

2.1 Yes.

3. Recommendations

3.1 To approve the ToR for the Audit & Risk committee.

4. Key Issues

4.1 The ToR document is subject to an annual review. The Audit & Risk committee reviewed the current ToR at their last meeting on 24th June 2024. The proposed changes from the previous year are highlighted in the document and those changes formalise duties which have been undertaken by the committee for a number of years.

5. Further details can be obtained from:

Kevin Johnston by email at kevinjohnston@edinburghleisure.co.uk

6. Additional Information

6.1 Appendix 1 - Audit Risk Committee Terms of Reference

Audit & Risk Committee Terms of Reference

Overall Responsibility:

Take delegated responsibility on behalf of the Board for ensuring that there is an assurance framework for accountability, for examining and reviewing all systems and methods of control both financial and operational including risk analysis and risk management and for ensuring that Edinburgh Leisure is complying with all aspects of the law, relevant regulations and good practice.

Membership:

The Audit & Risk committee will consist of no fewer than 4 Board members appointed by the Board.

The Chair of the Audit & Risk committee will be appointed by the Board. This Chair should not be Chair of [the](#) main Board of Directors.

Any Board member may attend a meeting of the Audit & Risk committee, including those who are not members of the committee. They will be shown as "in attendance" in the minutes.

The Chief Executive, Commercial Director and such other members of staff as the Chair of the Audit & Risk committee may require, shall normally be in attendance at meetings. In the event that diary clashes/sickness etc of the aforementioned executives prevent their attendance, the Chair shall determine if the meeting may proceed in their absence.

External auditor shall be invited to attend all meetings.

Secretary:

The Company Secretary or their nominee shall act as the secretary of the committee.

Quorum:

The quorum necessary for the transaction of business shall be 3 members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities vested in the committee.

Frequency, Notice & Minutes of Meetings:

The Audit & Risk committee will meet at least 3 times per annum.

The Audit & Risk committee will report back as appropriate to the Board.

The Audit & Risk committee will meet at least once per annum with External Auditors with no members of the management team in attendance.

Meetings of the committee shall be called by the secretary of the committee at the request of any of its members or at the request of external auditors if they consider it necessary.

Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to

attend no later than 5 working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

The secretary shall minute the proceedings and resolutions of all meetings of the committee, including recording the names of those present and in attendance.

Minutes of committee meetings shall be circulated promptly to all members of the committee.

Duties:

- To ensure that management have a framework of effective Audit & Risk coverage, having reviewed the processes and to ensure that the framework is proactively monitored, managed and acted upon.
- To note the Register of Risk Management Processes at each meeting of the committee and advise the Board on its appropriateness and of any significant matters requiring to be brought to the Board's attention.
- To advise the Board on the minimum and optimum level of internal and external Audit & Risk arrangements.
- To ensure that all required Governance reporting is completed including but not restricted to annual accounts, OSCR compliance, current SORP, Companies Act 2006.
- [To review the annual accounts in the presence of the external auditors, including consideration of the appropriateness of assumptions included in the actuarial pension calculations for FRS102 reporting purposes.](#)
- To [have oversight of the corporate risk register, reviewing and approving changes proposed by management or the committee, performing a "deep dive" into a specific risk as appropriate at each meeting and to](#) ensure that risk assurance activity is carried out in the areas identified in the risk register.
- To have oversight of any insurance matters brought to the committee's attention by management and to opine on any judgmental questions on the appropriateness of specific cover.
- To ensure that the Standing Orders and Operating Guidelines are reviewed and updated as required on an annual basis.
- To monitor internal and external Audit & Risk reviews and to advise the Board accordingly.
- To review the Lothian Pension Fund strategic review (nominally conducted every three years) and determine from a risk perspective if the strategy is appropriate for onward submission to the Strategy and Financial Planning Committee and ultimately the Board.
- To investigate on behalf of the Board any financial, operational or reputational matter which may put Edinburgh Leisure at risk.
- To examine reports on special investigations and to advise the Board accordingly.

- To consider the appropriateness of management action following audit reviews and to advise senior management on any additional or alternative steps to be taken.
- To appropriately challenge management to encourage a culture within the Charity whereby each individual feels that he or she has a part to play in guarding the probity of the Charity, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to a member of the Audit & Risk committee.
- To make minutes of all Audit & Risk committee meetings available to any Board member as requested.

External auditors

- To consider tenders for the external auditing services and recommend to the Board which firm should carry out the annual external audit of the charity's statutory accounts.
- To advise the Board on the contents of the draft Audit report and of any Management Letter that the Auditors may wish to present to the Board, and to formulate for Board use any written representations that may be needed by the auditors in connection with the Statutory Accounts or any other financial statements.
- To discuss with the external Auditors any issue or reservations arising from the draft external Audit report and draft Management Letter, reporting relevant issues back to the Board, and advising the Board accordingly.
- To review the performance of the auditors and advise the Board on any changes that ought to be made to their terms of engagement.
- To obtain any necessary external professional advice to enable the Audit & Risk committee to carry out its responsibilities more effectively.

Review

- Review the terms of reference annually.
- Via a formal feedback at the Board review the performance of the Audit & Risk Committee on an annual basis against the terms of reference.
- Last committee review date: [27 March 2023](#) [24 June 2024](#)
- Last Board approval date: [15 May 2023](#)

REPORT TITLE: Marketing & Sales Q1 Report 2024/2025

DATE: 21 June 2024

**HEAD OF
MARKETING,
COMMUNICATIONS
& SALES**

Jill Davidson

Jill Davidson

Agenda Item No: 7

CHIEF EXECUTIVE:

Jen Holland

Jen Holland

Report Ref: ELREP1389

1. Purpose

1.1 To advise the Board of the Marketing, Communications and Sales performance for Quarter 1 2024/2025 (April – June 2024).

2. Decision Required

2.1 No

3. Recommendations

3.1 N/A

4. OVERVIEW

4.1 The marketing and sales team have reviewed their approach and segmented the Edinburgh Leisure customer base by Market Segment. Segmentation has been done to optimise resource use and to avoid products competing against each other. This has been particularly important for targeting a younger audience.

4.2 Market segments in operation:

- Charity: all aspects of Active Communities, Wellbeing, and Fundraising.
- Children & Family: focused on commercial products for a younger market – Aquadash, Birthday Parties, Clip n' Climb, Holiday Clubs, and Soft Play.
- Commercial: areas that drive revenue or sit out-with our core offering including Cafes, Events, Facility Hire (Extended Lets), and Schools.
- Health & Fitness: focus on our core offering of Membership, Gyms, and Fitness Classes.

- Sport: a new focus that aims to develop our casual offering across core sports - Athletics, Climb, Golf, Racquets, Social Sports, and Swim.
- Sport Development: promotion of pathways to sport through adult and child coaching.

5. MARKETING

5.1 The Quarter 1 2024/2025 Marketing, Communications & Sales timeline can be viewed in Appendix 1 with key highlights below. Quarter 2 draft can also be viewed in Appendix 1 - the final Quarter 2 timeline will be published on 28 June.

Charity

5.2 The key focus for Charity through 01 has been our volunteers. In addition to the appreciation event during Volunteer Week (3 - 9 June), the team have been producing the Volunteer Strategy for Active Communities. There was also an external focus on #SeriouslySocial - a national campaign spearheaded by Community Leisure UK.

[FOISA S33\(1\)\(b\)](#)

■ [Redacted]

5.4 Commercial

Schools were supported through the Queensferry closure and movement of customers to allow them access to alternate sites.

5.5 Health & Fitness

The focus for 01 in Health and Fitness has been Su per Saturday. [FOISA S33\(1\)\(b\)](#)

■ [Redacted]

■ [Redacted]

■ [Redacted]

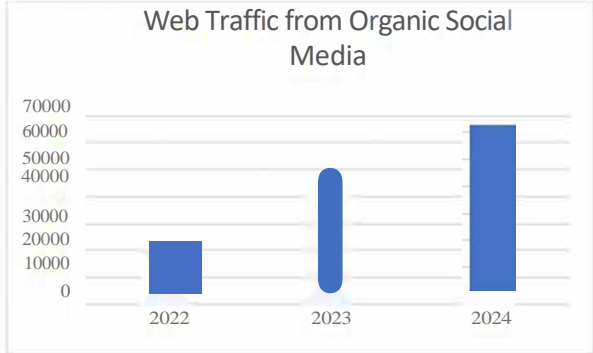
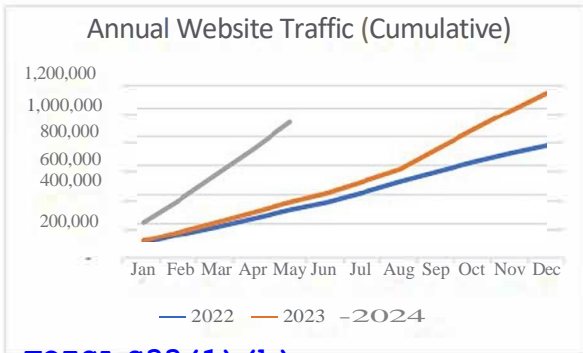
[Redacted]

[Redacted]

6. DIGITAL MARKETING

6.1 Website **FOISA S33(1)(b)**

[Redacted text block]



FOISA S33 (1) (b)

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8. COMMUNICATIONS

- 8.1 It has been a diverse quarter for communications from 125 years celebrations to new product launches. Overall, there has been a positive lean on sentiment towards Edinburgh Leisure, which has increased since last quarter.
- 8.2 Circulation, ad value and sentiment scores can viewed in Appendix 3. Our top coverage continues to come from Edinburgh Evening News.
- 8.3 There were 19 pieces of external comms issues in quarter 1 to date, including 13 press releases, 3 blogs, and 3 case studies (Details can be found in Appendix 4).
- 8.4 Internal communications continue to be a focus with 7 staff newsletters issued.

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10 Further Details

Further details can be obtained from Jill Davidson: 07811264355 /
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