

BOARD OF DIRECTORS MEETING
MONDAY 09 SEPTEMBER
4pm
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. Minutes and Matters Arising from meeting of 1 July 2024			√
3. Finance & Usage Performance Review	√		
4. Governance – Terms of Reference for the Strategy & Financial Planning Sub Committee			√
5. Special Resolution – Articles of Association			√
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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6. A.O.B

7. DONM – Board Meeting 4pm, 4 November 2024

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)



**EDINBURGH LEISURE BOARD MEETING
VENUE – MEADOWBANK SPORTS CENTRE
1st July 2024 at 4pm**

Present:	Scott Haldane	Chair
	Jackie Moran	Vice Chair (via Teams)
	Alex Staniforth	Director
	Christopher Cowdy	Director
	Colin Mumford	Director
	Gavin Munn	Director
	John Evans	Director
	Lezley Marion Cameron	Director
	Sanne Dijkstra-Downie	Director
	Denis Dixon	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
	Stephen Hughes	Volunteer Development Manager
	Evelyn Kilmurry	Head of Libraries, Sport and Wellbeing, CEC

Welcome & Introductions

Scott Haldane welcomed all to the meeting.

Scott Haldane advised that Christopher Cowdy, Lezley Marion Cameron and Sanne Dijkstra-Downie would join the meeting via Teams.

Scott Haldane welcomed Stephen Hughes – EL’s Volunteer Development Manager – who will be doing a presentation on Volunteering at Item 3 and also welcomed Jill Davidson, EL’s Head of Marketing, Communication and Sales, to the meeting.

Item 1 - Apologies & Declarations of Interest

- (i) Apologies from Rachel Ducker, Lee Ann Panglea, John Taylor and Gosia Paterson.
- (ii) There were no Declarations of Interest.

Item 2 - Volunteering Presentation

EL's Buddy Swim Volunteering Film

- (i) Lezley Marion Cameron requested breakdown of volunteers supporting EL – e.g. demographics. Action: Helen Macfarlane to include Volunteer demographics in 6 month Wellbeing Board paper.
- (ii) Scott Haldane asked how we leverage the messages (within the film) about the vital role our volunteers play within our marketing activities. Action: Helen Macfarlane to action with marketing team as part of launch of EL's new Volunteering Strategy.
- (iii) Scott Haldane thanked Stephen Hughes for the presentation which the Board had found extremely interesting.

John Evans joined the meeting at 16:17pm.

Item 3 - Minutes of Last Meeting & Matters Arising

- (i) The minutes were approved.
- (ii) Matters Arising from Meeting of 13th May 2024
 - a) Item 6 – Becoming Net Zero – explore opportunities to reduce cool settings in estate to realise further savings: Kevin Johnston advised that some reductions in temperature in dry areas were actioned a few weeks ago. Agreed to close this matter arising.
 - 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 Trade Union 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 updated this was Item 5 on today's agenda. Item resolved.
 - 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. Kevin Johnston highlighted a slide providing a breakdown of income by activity which was shared at last week's Strategy & Financial Planning committee. Action: The Board requested this was provided regularly to Board as part of the Finance pack.
 - (d) Item 4 (viii) Energy and Sustainability - Kevin Johnston will progress seasonality change of pool temperatures with the Energy & Sustainability team. Kevin Johnston confirmed that our Technical Services Manager confirmed that reducing pool temperatures a little in the summer months was

worthy of consideration, although with outdoor temperatures having been mostly below 20c we will defer the implementation until the Technical Services Manager returns from holiday later this month.

- (e) Item 4 (viii) Energy and Sustainability - Gosia Paterson asked about goal setting: do we have similar goals (to those in place for CO2 reduction) for water use and re-cycling. Gosia Paterson gave an example of water saving achieved due to staff education and engagement in the goal. 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. Kevin Johnston advised the Board that the recycling target of 70% was included in the Board report and actions at venues level are ongoing to help increase from the reported 66% level. In respect of targets for water use, Kevin Johnston reported that we have been educating staff at venues on opportunities to reduce water use (e.g. nightly use of pool covers to reduce evaporation), but quantifying opportunities to generate meaningful targets is an exercise that we have not spent time looking at because significant reductions would require wholesale redesign of pool plant and the technologies we have so far considered (e.g. different filter types) have proved inappropriate either because of cost, unproven technology or water quality issues. We remain vigilant for opportunities, for example we are looking at a new type of shower which claims to reduce water use by 80%.

- (f) Item 5 - Governance Re-Appointment of Board Member and Chair of Board

Jen Holland will get an update from Scott Haldane on this process – Jen Holland advised this was completed and Chair and Board Member recruitment was advertised.

Scott Haldane advised that he and Colin Mumford would remain on the Board until their successors are appointed.

FOISA S33(1)(b)

- (g)

[REDACTED]

[REDACTED]

[REDACTED]



- (h) AOB - Perrotine Orr to share with John Evans the list of clubs who were consulted as part of the Pitch Strategy. Action Completed.

Item 4 - Finance & Usage Report

- (i) Kevin Johnston spoke to the report to advise the Board of the financial performance for the two months to May 2024.
- (ii) Kevin Johnston highlighted the current position is £20k ahead of budget. However, Kevin noted the concerning overspend on staffing and is working with the business to establish a detailed narrative in budget monitoring to gain in-depth analysis and forecast modelling for this issue.
- (iii) Jackie Moran confirmed the commentary from the Strategy & Financial Planning Sub Committee Meeting. Agreed that there was some prudence in the forecast.

- (iv) Alex Staniforth asked about the Holiday Pay for zero-hours contracts – assume it is because we don't know till end of the year what they have actually worked. Kevin Johnston confirmed and explained that a separate line is now built into the budget to capture this in the future. Scott Haldane asked if the Holiday accrual picks this cost up. Kevin Johnston responded that he felt it should but suspects we just look at those on sick, maternity etc, as there is no carry forward allowed.

Item 5 - Memorandum and Articles of Association

- (i) Jen Holland spoke to the report. Jen Holland highlighted the changes required to reflect prior Board decisions. Scott Haldane sought approval of the recommendations to agree the changes to the Memorandum and Articles of Association. **Approved.**
- (ii) Alex Staniforth highlighted discomfort removing Union Rep on the Board, asking if we could we seek a Board member with background in Union work. Karen Scott highlighted this was a change we made a few years ago, when we recruited a rep with HR background which is Lee-Anne Panglea. Action: Scott Haldane asked that the notes of this meeting record that we have HR skills detailed in the skills matrix for Board.

Item 6 – Audit and Risk Terms of Reference (ToR)

- (i) Kevin Johnston spoke to the report. Kevin Johnston highlighted specific changes within the ToR which provide clarity of the Committee's role regarding the Annual Accounts review including considering assumptions made within the actuarial pensions calculations. The ToR also has been amended to include the Committee's role with regards the Risk Register review and approval and carrying out a 'deep dive'. Scott Haldane sought approval of the recommendations to the changes. **Approved.**
- (ii) Christopher Cowdy questioned the use of the phrase 'deep dive' in the ToR. Suggested it was changed to something like 'assessment' but then questioned whether that was the duty of the Committee to do that rather than the Senior Management. Jackie Moran confirmed that SLT perform the assessment, then the committee perform a review of the assessment already carried out by the SLT. Agreed to update ToR to reflect this better, such as 'reviewing the assessment of a specific risk in each meeting'. Action: Kevin Johnston to change wording in the ToR.

Item 7 – Marketing and Sales

- (i) Jill Davidson spoke to the report, highlighting activity in Quarter 1 and the impact of our sales campaigns.
- (ii) Colin Mumford asked if we, as an organisation, give money to internet search engines to promote EL. Jill Davidson explained that we do this organically, and we do pay for some specific campaigns. However, having Edinburgh in our title really helps us anyway. Jill Davidson confirmed we use social media (except X) in a similar way.

- (iii) Alex Staniforth had a query from someone who used to use '10 for 8' swimming, which was affordable for them and asked what was their alternative now. Jill Davidson explained that we had initially moved to loyalty points, but our point-of-sale system doesn't support loyalty, so we are now phasing out. The retention group is looking at alternatives. Perrotine Orr confirmed that this is being worked on.
- (iv) Scott Haldane asked if we still collect customer feedback in venues. Claire Rusack explained that they still exist, but that this is now done online. We still get all the feedback and this is reported in the Customer Survey Board reports. John Evans observed that this approach excludes customers who are not 'digitally literate'. Claire Rusack explained that we do other captures of data, which includes 'in person' questions in venues.
- (v) Colin Mumford referenced para 7.2.1 – what was the positive demographic split that we experienced? Jill Davidson explained that we were capturing more of the 'full fitness' market, which has a higher yield for EL (24-65 year old group). Colin Mumford observed that this is a good outcome from the recent membership pricing structure. Jill Davidson noted that it will take about a year to measure impact so that we can see the retention element from the changes.
- (vi) Scott Haldane asked about yield – Jill Davidson explained that this is a very top-line figure. Pre-Covid it was higher, but it dropped during Covid, so we are keen to drive this up and keep it there.
- (vii) Scott Haldane noted thanks to the team for this achievement.

FOISA S33(1)(b)

[REDACTED]

Item 6 - A.O.B

- (i) There were no items raised.

Item 7 - DONM – Board Meeting 4pm 9th September

- (i) Scott Haldane confirmed that the next Board Meeting will take place on Monday 9th September at 4pm.
- (ii) Note for Sept meeting: SLT to consider ‘thanks’ for Board leavers – Colin Mumford and Scott Haldane.

REPORT TITLE: Finance & Usage Performance

DATE: 9 September 2024

Agenda Item No: 3

COMMERCIAL DIRECTOR: 
Kevin Johnston

CHIEF EXECUTIVE: 
Jen Holland

Report Ref: ELREP1396

1. Purpose

1.1. To advise the Board of the financial performance for the four months to July 2024.

2. Decision Required

2.1. No.

3. Recommendations

3.1. N/A.

4. Key Issues

4.1. The net operating financial position to July was a surplus of £105k, £39k behind the budgeted surplus of £144k.

4.2. At the four month point income is £15k (0%) behind budget with expenditure £24k (0%) over budget.

4.3. Within those relatively modest total variances there are a number of significant components discussed in later sections of this report.

5. Further details can be obtained from:

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

6. Additional Information

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

TABLE 1 : INCOME & EXPENDITURE SUMMARY - 4 MONTHS TO 31 JULY 2024

	COMPARISON TO BUDGET				COMPARISON TO LAST YEAR		
	ACTUAL £K	BUDGET £K	VARIANCE £K %		LAST YEAR £K	VARIANCE £K %	
OPERATING INCOME	9,466	9,481	(15)	(0)%	8,661	805	9 %
MANAGEMENT FEE	4,078	4,078	0	0 %	2,678	1,400	52 %
TOTAL INCOME	13,544	13,559	(15)	(0)%	11,339	2,205	19 %
EMPLOYEE COSTS	(7,489)	(7,337)	(152)	(2)%	(6,614)	(875)	(13)%
PROPERTY COSTS	(3,603)	(3,546)	(57)	(2)%	(3,099)	(504)	(16)%
SUPPLIES & SERVICES	(2,347)	(2,532)	185	7 %	(2,247)	(100)	(4)%
TOTAL EXPENDITURE	(13,439)	(13,415)	(24)	(0)%	(11,960)	(1,479)	(12)%
NET INCOME/(EXPENDITURE)	105	144	(39)		(621)	726	

7. Income

7.1. Income and usage figures are shown by activity below:

Table 2
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	495	499	456	(1)%	9 %	3,493	3,392	3,053	3 %	14 %
DRY (inc ext lets & education)	305	296	290	3 %	5 %	907	883	857	3 %	6 %
Swimming	318	341	312	(7)%	2 %	1,134	1,188	1,090	(5)%	4 %
Coaching	164	157	148	4 %	11 %	1,860	1,932	1,661	(4)%	12 %
Golf	63	73	71	(14)%	(11)%	724	800	733	(10)%	(1)%
Other	90	92	86	(2)%	5 %					
Soft Play						409	399	362	3 %	13 %
Special Events						172	144	114	19 %	51 %
Equipment Hire & Sales						113	127	120	(11)%	(6)%
Vending & Catering						454	449	425	1 %	7 %
Other Operating Income						200	167	246	20 %	(19)%
Total Operating						9,466	9,481	8,661	(0)%	9 %
CEC Management Fee						4,078	4,078	2,678	0 %	52 %
TOTAL	1,435	1,458	1,363	(2)%	5 %	13,544	13,559	11,339	(0)%	19 %
<u>Extended lets included above</u>										
Wet						185	186	170	(1)%	9 %
Dry						289	287	297	1 %	(3)%
Total						474	473	467	0 %	1 %

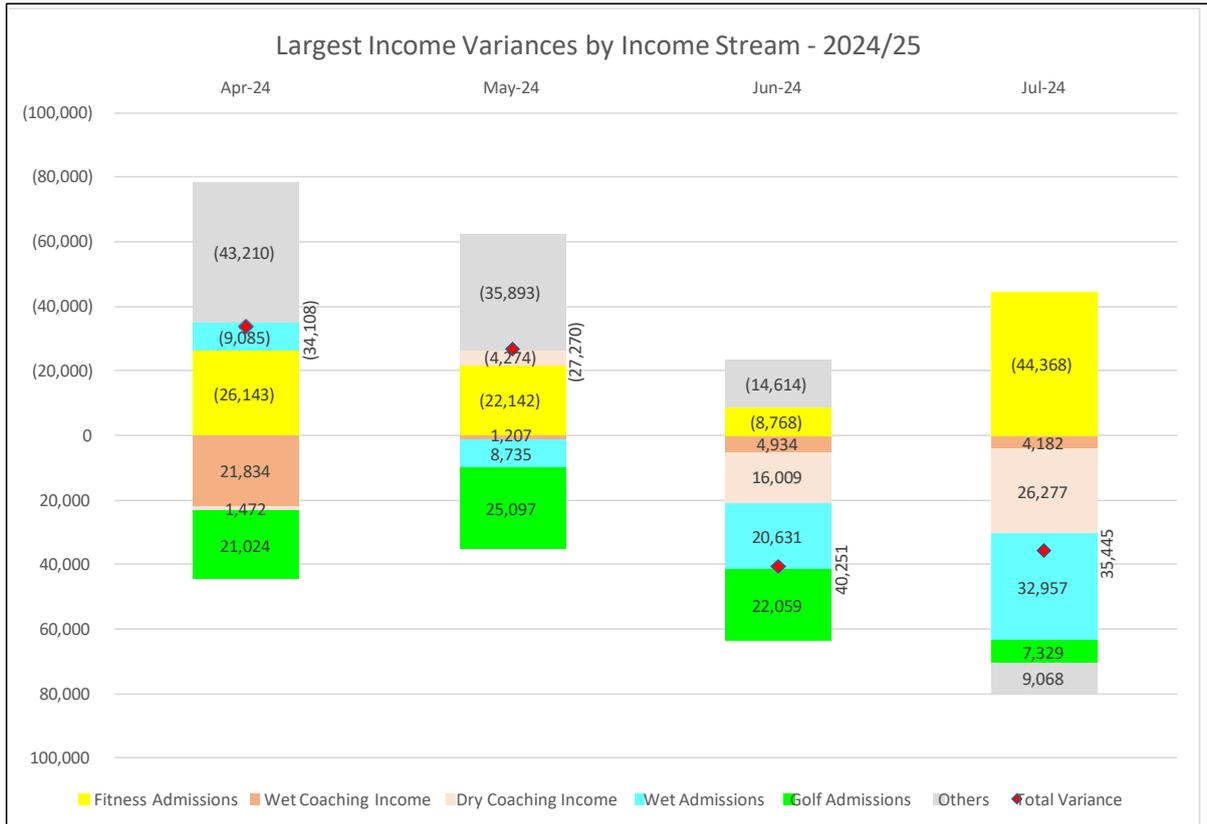
7.2. A proportionate split of some major income streams between membership and casual (pay to play) income is shown in the following table for information:

Table 3
Major Income Streams - Split of Membership and Casual Income



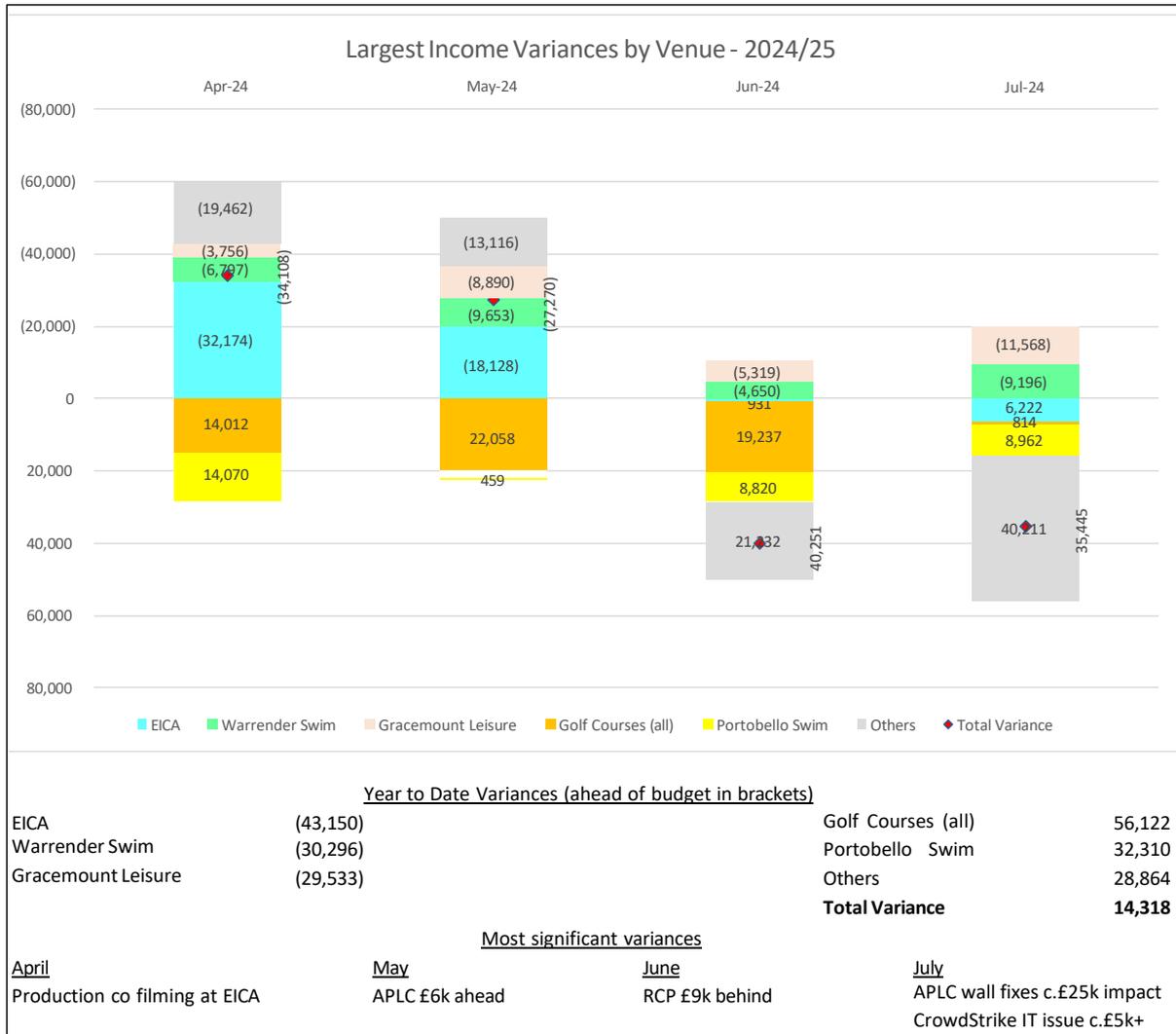
7.3. Although the income variance at the four months point is very small, the following graphs illustrate the scale and variability of the variances by month. The graphs show firstly the five income streams with the largest total variance after four months and secondly the five venues with the largest total income variance after four months. In these graphs bracketed numbers are ahead of budget. Brief notes are appended below the second table where relevant to any particular month.

Table 4a
Income Variances - Top 5 by Income Stream



<u>Year to Date Variances (ahead of budget in brackets)</u>			
Wet Coaching Income	32,157	Fitness Admissions	(101,421)
Dry Coaching Income	39,484	Others	(84,649)
Wet Admissions	53,239		
Golf Admissions	75,509	Total Variance	14,318

Table 4b
Income Variances - Top 5 by Venue



8. Expenditure

- 8.1. Employee costs are overspent at the four month point by £152k (2%). Extensive investigations have uncovered a large number of issues, such as holiday pay earned in the previous year being incurred in the current year, colleagues taking holidays earlier than in previous years, higher levels of staff sickness, some costs missing or understated in the budgeting process and some additional costs approved after the budget was finalised. Investigations have been complicated by variability in the timing of payments for staff on different contracts and by miscoding of staff to incorrect departments or to expense lines different to where they were budgeted. A large number of recommendations are being considered and multiple actions have already been undertaken to improve training, current reporting and also budgeting for next year.
- 8.2. Property costs are overspent at the four month point by £57k (2%). £100k of this overspend arose from a one off impact of non-domestic rates (NDR) on parks and pitches as explained in the previous Board report with the balance arising mostly from electricity

costs being £59k (7%) underspend and water costs being £31k (22%) overspent. We continue to develop our systems for reporting of utilities costs and the 2025/26 budget will be created within software specifically designed for the purpose.

- 8.3. The underspend in supplies and services of £185k (7%) is mostly the result of timing differences with examples being marketing spend £57k under budget due to resourcing constraints early in the year and £45k for building valuation work being undertaken later than budgeted. Spending controls implemented across the company in late July will undoubtedly be having some impact on our expenditure levels after the reporting period covered by this report, although most significant expenditure reductions are more likely to be deferrals rather than total cost avoidance. The extent to which expenditure can be deferred beyond the end of March 2025 remains to be seen.
- 8.4. Expenditure on facilities management (FM) activities such as building and equipment maintenance, servicing, and repairs varies substantially from month to month. Therefore, this expenditure is reflected in our operating position on a smoothed basis, with the budgeted annual amount being charged evenly each month. As we go through each year we monitor the actual FM expenditure against budget. If we think that issues have occurred in the estate which have resulted in costs which will push the expenditure beyond budget by the end of the financial year, we will put an extra charge through our property costs included within this report. However, if we think we may be underspent on FM costs we tend not to reduce the charge to the accounts as a prudent approach to FM budgeting is the safest option since substantial unforeseeable costs can be incurred on major equipment failures or building issues, particularly through the winter months. As at the end of July we had incurred only £0.1m of expenditure against our FM projects budget of £1.1m. Other projects are in progress or at advanced planning stages, but it would be remiss not to point out at this early stage of the year that we may not have the ability to deliver all of these projects before the end of the financial year. The point when we might recognise an FM underspend in our company financial performance is a subjective judgement and we will continue to keep this under review and will update the Board at each meeting.

The following table has been slightly amended to group the outdoor venues together (Jack Kane and Saughton were previously included in the Dry Centres section and Meggetland, Outdoor Pitches and Meadows Tennis were previously amalgamated under one "Outdoor" total figure).

Table 5
Detailed Site Analysis - 4 Months to July 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	102,894	-4%	12%	605,580	2,048	28,041	0%	5%	622,435	-10,223	-52,023	-2%	-9%	-16,855	-8,680	7,128	-8,175	-23,982
Kirkliston	9,744	6%	14%	62,800	-1,609	7,655	-2%	14%	85,062	16,758	12,197	16%	13%	-22,262	-37,411	-42,115	15,149	19,853
Meadow bank	174,240	4%	5%	813,091	-2,922	110,477	0%	16%	1,068,626	-21,206	-48,069	-2%	-5%	-255,536	-231,408	-317,944	-24,128	62,408
Tumbles at Portobello	45,096	7%	8%	411,641	780	26,667	0%	7%	413,148	20,105	-39,609	5%	-11%	-1,507	-22,391	11,435	20,885	-12,942
EICA	53,224	1%	7%	908,321	43,150	71,930	5%	9%	907,249	-23,615	-65,138	-3%	-8%	1,072	-18,462	-5,719	19,534	6,791
Total Dry Centres	385,198	2%	7%	2,801,433	41,446	244,769	2%	10%	3,096,520	-18,181	-192,641	-1%	-7%	-295,087	-318,352	-347,215	23,265	52,128
Ainslie Park	104,469	2%	11%	574,928	-10,097	51,038	-2%	10%	612,951	-1,936	-51,177	0%	-9%	-38,024	-25,990	-37,885	-12,034	-139
Drumbrae	105,371	20%	32%	608,872	21,634	102,529	4%	20%	549,694	-17,474	-59,471	-3%	-12%	59,178	55,018	16,120	4,160	43,058
Dalry	32,678	-9%	-10%	190,945	-9,559	-11,316	-5%	-6%	235,264	-8,963	-2,741	-4%	-1%	-44,319	-25,798	-30,262	-18,521	-14,057
Gracemount	88,475	6%	16%	493,398	29,533	67,023	6%	16%	530,871	-4,506	-63,765	-1%	-14%	-37,472	-62,499	-40,731	25,027	3,259
Glenogle	52,049	1%	29%	249,864	12,229	34,248	5%	16%	274,171	-429	-16,799	0%	-7%	-24,307	-36,107	-41,757	11,800	17,449
Leith Victoria	80,279	-17%	-18%	527,469	4,612	40,071	1%	8%	509,513	15,550	-59,719	3%	-13%	17,956	-2,206	37,605	20,162	-19,648
Portobello Sw im	58,148	-4%	-3%	403,933	-32,310	9,231	-7%	2%	499,620	-19,050	-32,520	-4%	-7%	-95,687	-44,327	-72,398	-51,360	-23,289
RCP	251,744	-2%	-2%	1,941,244	-16,490	88,554	-1%	5%	2,041,544	23,515	-196,932	1%	-11%	-100,300	-107,325	8,078	7,025	-108,378
Warrender	58,462	-12%	110%	362,662	30,296	133,682	9%	58%	303,084	-17,135	-65,940	-6%	-28%	59,579	46,417	-8,164	13,161	67,742
Total Wet Centres	831,675	-1%	8%	5,353,316	29,848	515,060	1%	11%	5,556,713	-30,428	-549,063	-1%	-11%	-203,397	-202,816	-169,394	-580	-34,003
Braid Hills Golf Course	10,071	-11%	-9%	166,998	-5,813	9,879	-3%	6%	145,239	-15,961	-38,298	-12%	-36%	21,759	43,533	50,179	-21,774	-28,420
Carrick Know e Golf Course	15,126	-13%	-10%	193,130	-11,977	4,816	-6%	3%	139,786	-12,608	-22,757	-10%	-19%	53,344	77,929	71,285	-24,585	-17,941
Craigentiny Golf Course	11,571	-17%	-15%	129,498	-15,758	-4,220	-11%	-3%	158,014	-40,696	-58,882	-35%	-59%	-28,517	27,937	34,585	-56,454	-63,102
Portobello Golf Course	6,343	-54%	-6%	56,995	-6,177	-1,634	-10%	-3%	45,617	-10,647	-10,639	-30%	-30%	11,378	28,202	23,651	-16,824	-12,273
Princes Golf Course	6,054	-8%	-8%	71,216	-4,536	1,974	-6%	3%	43,287	-17,122	-19,818	-65%	-84%	27,929	49,586	45,773	-21,657	-17,844
Silver Knowes Golf Course	13,850	-16%	-14%	162,623	-14,361	61	-8%	0%	121,895	25,268	-12,797	17%	-12%	40,729	29,822	53,464	10,907	-12,736
Grounds Maintenance & Golf Mgmt				2,500	2,500	2,500	#DIV/0!	#DIV/0!	237,508	-5,310	-40,788	-2%	-21%	-235,008	-232,198	-196,720	-2,810	-38,288
Total Golf	63,015	-14%	-11%	782,960	-56,122	13,377	-7%	2%	891,346	-77,075	-203,980	-9%	-30%	-108,387	24,810	82,217	-133,197	-190,604
Jack Kane	16,750	-3%	-3%	51,180	-2,958	1,223	-5%	2%	143,402	2,606	-18,046	2%	-14%	-92,222	-91,870	-75,399	-352	-16,823
Saughton	30,088	-9%	-9%	42,270	1,527	3,485	4%	9%	80,544	744	-12,081	1%	-18%	-38,273	-40,545	-29,677	2,272	-8,596
Meggetland	47,550	-7%	-7%	52,234	-1,368	1,086	-3%	2%	258,247	-94,518	-127,477	-58%	-97%	-206,013	-110,127	-79,623	-95,886	-126,391
Outdoor Pitches	45,217	-4%	-4%	53,157	-12,772	-14,828	-19%	-22%	192,015	17,660	-19,418	8%	-11%	-138,858	-143,746	-104,612	4,888	-34,246
Meadows Tennis	15,829	-3%	2%	74,194	-9,810	-3,605	-12%	-5%	46,451	9,618	-5,426	17%	-13%	27,743	27,935	36,774	-192	-9,031
Total Outdoor Venues	155,434	-6%	-5%	273,036	-25,381	-12,640	-9%	-4%	720,660	-63,890	-182,448	-10%	-34%	-447,624	-358,353	-252,537	-89,271	-195,087
Central Functions				255,114	-4,109	44,425	-2%	21%	3,173,698	165,471	-350,346	5%	-12%	-2,918,584	-3,079,945	-2,612,663	161,362	-305,920
Total Operating	1,435,322	-2%	5%	9,465,859	-14,318	804,993	0%	9%	13,438,937	-24,103	-1,478,478	0%	-12%	-3,973,078	-3,934,657	-3,299,592	-38,421	-673,486
CEC Management Fee				4,078,333	0	1,400,000	0%	52%						4,078,333	4,078,333	2,678,333	0	1,400,000
TOTAL	1,435,322	-2%	5%	13,544,192	-14,318	2,204,993	0%	19%	13,438,937	-24,103	-1,478,478	0%	-12%	105,255	143,677	-621,259	-38,421	726,514

9. Balance Sheet

Table 6
Edinburgh Leisure Balance Sheet (£000's)

	31 Jul 24	31 Jul 23	Change	31 Mar 24
Fixed Assets	5,997	5,561	436	5,954
Stocks	58	51	7	55
Debtors	1,875	1,521	354	1,912
Cash in Hand	11,426	7,476	3,950	2,870
Creditors < 1 year	(11,847)	(8,382)	(3,465)	(3,497)
Creditors > 1 year	(598)	0	(598)	(598)
Pension Surplus	8,011	4,232	3,779	8,011
Net Assets / (Liabilities)	14,922	10,459	4,463	14,707
Unrestricted Reserves	(4,774)	(4,034)	(740)	(4,760)
Designated Reserves	(720)	(855)	135	(629)
Pension Reserve	(8,011)	(4,232)	(3,779)	(8,011)
Restricted Funds	(1,417)	(1,338)	(79)	(1,307)
Total Funds	(14,922)	(10,459)	(4,463)	(14,707)

9.1 The increase in fixed asset values at July 2024 compared to a year earlier is a result of the timing of asset investments, with £1,324k of FY2023/24's capital expenditure additions of £1,666k happening after July 2023.

9.2 The increase in the value classified as debtors arose from an increase in prepaid expenditure (particularly related to non-domestic rates) rather than amounts owed by customers.

9.3 The higher cash balance at July 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.

- 9.4 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.
- 9.5 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.

REPORT TITLE: Terms of Reference for Strategy & Financial Planning Sub Committee

DATE: 9 September 2024

Agenda Item No: 4

CHIEF EXECUTIVE: 

Report Ref: ELREP1397

1. Purpose

1.1 To review and approve the Terms of Reference (ToR) for the Strategy & Financial Planning Sub Committee (Appendix 1).

2. Decision Required

2.1 Yes.

3. Recommendations

3.1 To approve the ToR for the Strategy & Financial Planning Sub Committee (Appendix 1).

4. Background

4.1 The ToR document is subject to an annual review. The Strategy & Financial Planning Sub Committee reviewed the current ToR at their last meeting on 26th August 2024.

4.2 The only change recommended by the committee at this review was the inclusion of the Annual Review of the Procurement Strategy, including specificity with regards role in ensuring financial strategy and forecasting requirements and tidying up of administrative duties.

5. Further details can be obtained from:

5.1 Jen Holland on tel. 0131 458 2100 or by email at jenholland@edinburghleisure.co.uk

6. Additional Information

6.1 Appendix 1 - ToR for the Strategy & Financial Planning Sub Committee.



Strategy & Finance Committee Terms of Reference

Overall Responsibility:

To advise the Board on all finance and strategy issues and to be responsible to the Board for the review of the Strategic Plan, Business Plan, budget setting, investment proposals and the activity information to support the income of Edinburgh Leisure.

The purpose of the Strategy & Finance Committee is to provide advice to the Board and not to replace or remove the requirement for the Board to monitor financial performance.

Membership:

The Strategy & Finance committee will consist of no fewer than 4 Board members appointed by the Board. Membership should be designated by the Board.

Terms of office: In order to ensure continuity within the committee it is expected that members will serve on this committee for the duration of their Board appointment. Where Board members are appointed for second term they may elect to change to another committee.

The chair of the Strategy & Finance committee will be appointed by the Board. If the Chair is absent from the meeting of the committee, the committee members present shall choose one of their number to act as Chair for the meeting.

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

The members of the Strategic Leadership Team and other such members of staff as the Chair of the Strategy & Finance committee may require, shall normally be in attendance at meetings.

A representative from City of Edinburgh Council 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 Strategy & Finance committee will meet at least 3 times per annum.

The Strategy & Finance committee will report back as appropriate to the Board.

Meetings of the committee shall be called by the secretary of the committee at the request of any of its members.

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 normally 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.

The secretary shall ~~M~~minute ~~of~~ 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 and made available to any members of the Board as requested.

Duties:

- To report to the Trust Board on the overall status of the financial and operational performance, assess potential shortfalls and risk, and recommend Board level actions to address them. Specific areas that the Strategy & Finance Committee covers are:
 - a) Strategic planning
 - b) Business and Financial ~~strategy planning~~ [planning and forecasting in place](#)
 - c) ~~_~~ Financial reserves policy and any considerations around designations of reserves
 - ~~e~~d) [Annual review of Procurement Strategy](#)
 - ~~e~~e) Financial performance, to ensure The Board receives best practice financial management and reporting
 - ~~e~~f) Commercial approach to pricing
 - ~~f~~g) Investment and disinvestment based on scrutiny of supporting business cases
 - ~~g~~h) Tracking progress against and supporting the delivery of efficiency and cost reduction programmes
 - ~~h~~i) Tracking progress towards net-zero
- To ensure that the delegation of the Trustees' financial authority is properly followed by the Chief Executive and directors;
- To receive and scrutinise annual budgets and management accounts, and take action over variances as appropriate (note: final approval of annual budgets is reserved for the Board);
- To be assured that the financial resources of Edinburgh Leisure meet its present and future needs.

Review

Review the terms of reference annually

- Last committee review date: 28 August 2023
- Last Board approval date: 11 September 2023

D8REPORT TITLE: SPECIAL RESOLUTION: TERMS OF OFFICE

DATE: 9 September 2024

COMPANY SECRETARY:


Kevin Johnston

Agenda Item No: 5

CHIEF EXECUTIVE:


Jen Holland

Report Ref: ELREP1398

1. Purpose and background

- 1.1 To propose an amendment to the existing Articles of Association to reflect the decision taken at the July 2024 Board meeting to remove two Nominated Board positions and replace with two Special Co-opted positions.
- 1.2 Company law requires that an amendment to the Memorandum & Articles of Association is approved via a "Special Resolution" passed by the members, which requires a minimum 75% approval of eligible members (11 of the current 14 members in post).
- 1.3 A Special Resolution must be passed at a General Meeting of the Board.
- 1.4 A General Meeting of the Board requires 21 clear days' notice as per the following provision of the Articles of Association:

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.

2. Decisions Required

- 2.1 Yes: To remove the requirement for Nominated Members for both Trade Unions and Edinburgh Sports Forum or its successor body.

2.2 Yes: To increase the number of Special Co-opted Members by two, such that the full Board composition remains at fifteen.

2.3 For any members who are unable to attend the Board meeting on the 9th September, please inform me in writing of your vote (either to approve or not approve the resolution), not less than 48 hours prior to the meeting.

3. Recommendations

3.1 The Board composition is as follows:

	<u>Current</u>	<u>Proposed</u>
○ Nominated members (CEC)	5	5
○ Nominated members (trade union, Clubsport)	2	-
○ Ordinary member (user representative)	1	1
○ Special co-opted members	7	9

4. Proposal

4.1 The relevant excerpts from the existing Articles of Association are reproduced below with the proposed amendments highlighted by crossing out of existing words as required.

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. ~~A Trade Union shall be entitled to nominate one Nominated Member and The Edinburgh Sports Forum or successor bodies shall be entitled to nominate one Nominated Member.~~ The ~~seven~~ five Nominated Members ~~nominated by The City of Edinburgh Council, a Trade Union and The Edinburgh Sports Forum or successor bodies~~ 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~~ nine 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, ~~(Two) one Nominated Member who shall be nominated by a Trade Union UNISON and (Three) one Nominated Member who shall be nominated by The Edinburgh Sports Forum or successor bodies.~~
- 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~~ nine 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~~ nine '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.

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, ~~a Trade Union shall be entitled to nominate one Director and the Edinburgh Sports Forum or its successor bodies shall be entitled to nominate one Director~~ all of which nominees will be known as Nominated Directors. The ~~seven-five~~ Nominated Directors shall be the same parties as have been nominated by The City of Edinburgh Council, ~~a Trade Union and the Edinburgh Sports Forum or its successor bodies~~ 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-nine~~ 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.

5. Further details can be obtained from:

Kevin Johnston on tel. 0131 458 2135 or by email at kevinjohnston@edinburghleisure.co.uk