

ANGUSalive

NOTE of MEETING of the Board of Directors of ANGUSalive held at 10.00am by Video Call on Wednesday 13 May 2020

Present:

Name		Title	Initial
Kenneth	Fraser	Independent Director - Chairperson	KF
Hannah	Whaley	Independent Director - Vice Chairperson	HW
Kirsty	Hunter	Chief Executive	KH
Gordon	Cargill	Service Leader Angus Council (Governance & Change)	GC
Bill	Duff	Council Director	WD
Fiona	Dakers	Senior Manager Libraries Customer and Culture	FD
Lynne	Devine	Council Director	LD
Lesley	Hadden	Executive Support	LH
Robbie	Francis	Company Secretary	RF
Colin	Knight	Senior Manager Sport and Leisure	CK
Kevin	Lumsden	Angus Council Finance Manager	KL
Ken	McKay	Independent Director	KM
Ronnie	Proctor	Council Director	RP
Alan	Rae	Independent Director	AR
Iain	Stevens	Senior Manager Business Management and Development	IS

Apologies

Cllr Colin Brown

Item No	Note
1.	<p>Welcome & Apologies</p> <p>KF welcomed everyone to the meeting.</p> <p>Kenny thanked Robbie Francis for hosting the video conference.</p> <p>Apologies:</p> <p>Colin Brown</p>
2.	<p>Declarations of Interest</p> <p>Directors were asked to consider whether they had any declarations of interest in relation to any item on the agenda for the meeting. No declarations were made.</p>
3.	<p>Minutes of Meeting on Friday 28 February 2020</p> <p>The Directors approved the minutes of the above meeting.</p> <p>Proposed as accurate by HW and seconded by WD</p>
4.	<p>Matters arising from the Minute of Meeting Friday 28 February 2020</p> <p>Risk Register IS provided update on Risk Register. IS advised we had meeting and updates were added the Risk Register and a further meeting is scheduled for 1 July 2020.</p> <p>Angus Cultural Strategy KH provided update and advise the first meeting was still to be held. KH has contacted Lucy Byatt and a date will be finalised this week. KH confirmed the strategy will be progressing and as discussed at the recent briefing it will be an important piece of work for the new normal.</p>

Directors Advert

LH has received 7 notes of interest to date. Unfortunately, due to the COVID-19 Crisis interviews are on hold.

Business Plan

KH advised BP is to be revised and the Senior Leadership Team will work with Angus Council Officers to progress. CG advised that ideally work to commence as soon as possible to have something in place for September /October 2020 and echoed KH point of working together on what the future looks like.

CG highlighted this was a key piece of work and a high priority for both parties.

The Board requested confirmation of timeline to ensure there was not a mismatch of deadlines and to ensure both parties have clarity, so everyone involved is clear on the aim.

KH & CG to progress and BP to be tabled at a future Board Meeting

bACTIVE Membership Group

IS provided a high-level overview of the work being carried out within the bACTIVE Membership working Group over past 8 weeks.

Following discussions, it was agreed the report would be re-examined and tabled at a future Board meeting.

KF highlighted this was a priority piece of work linking between the Recovery Plan and future plan as the use of facilities might reflect access and pricing moving forward.

Physical Activity Framework

CK advised work was progressing on the Angus Framework which will be built round the 6 Active Scotland Outcome Framework aims to allow measurement by all partners. ANGUSalive and Angus Council had met to consider outputs of first meeting including vision and framework aims. CK confirmed the 2nd meeting scheduled with Shelley Hague went ahead with ANGUSalive's Adult & Community Physical Activity Lead, Lynne Haxton (LH).

CK advised he was meeting with KF and LH week commencing 18/05/2020 to update current position and framework progression.

<p>5.</p>	<p>Chief Executive Update</p> <p>KH advised for the awareness of everyone at the meeting that Board members had been meeting on a weekly basis. 7 Coronavirus briefing have taken place to date and those meetings focus on:</p> <ul style="list-style-type: none"> • Health and Wellbeing of Staff • Financial Security Planning • Redeployment of staff and assets to support the community • ANGUSalive@Home • Communications Strategy • Recovery Phase • National/Regional Guidance <p>KH advised that Humanitarian Food Hubs have now been confirmed as Reid Hall (Angus North) & Saltire Sports Centre (Angus South). A variation to the licence to occupy has been agreed.</p> <p>KH highlighted the members of our team working to support the community in the HAART were no longer required by Angus Council. Feedback received from Angus Council has been very positive.</p> <p>GC also thanked the ANGUSalive HAART team for their contributions and also extended a thank you to the teams who conducted the handover of Reid Hall and Saltire Sports Centre for the Humanitarian Food Hubs.</p> <p>KH highlighted the extension of the Coronavirus Job Retention Scheme until the end of October 2020.</p> <p>KH advised following the Prime Ministers announcement of Sunday 10 May ANGUSalive had issued an update bulletin to reiterate that there had been no change to Scotland.</p> <p>Employees are advised that all our venues remain closed until further guidance has been received from the Scottish Government. There has been no change to the current closure rules for our services areas.</p> <p>The only change to the advice in Scotland announced by the First Minister is on how often people can venture outdoors which has been changed from today. The advice is that people can go outside more than once a day to exercise. This activity should continue to be undertaken close to home. Those going out to exercise should either go alone or with members of their household.</p>
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<p>6.</p>	<p>Absence Statistics</p> <p>Any comments or additional to be submitted to LH</p>
<p>7.</p>	<p>External Audit Plan 2019/20</p> <p>NB highlighted that Scott-Moncrieff provide accounts preparation and corporation tax and VAT services to ANGUSalive. All tax services are provided by an independent tax partner and staff who have no involvement in the audit of the financial statements and are commissioned to prepare the financial statements in accordance with legislation and Charity SORP requirements and prepare the financial statements from the final trial balances provided by the Group.</p> <p>Scott-Moncrieff provides accounts preparation and corporation tax and VAT services to the Group. All tax services are provided by an independent tax partner and staff who have no involvement in the audit of the financial statements and are commissioned by the Group to prepare the financial statements in accordance with legislation and Charity SORP requirements.</p> <p>NB highlighted Risk 3 and advised in 2018/19 the split of transactions between Angus Alive and Angus CLT (Trading) Limited was reviewed and they noted a significant improvement in the recording of activities and apportionment to the appropriate entity. There were still several transactions to allocate costs between entities which were posted at the yearend therefore improvements could be made to allow more accurate tracking of costs through the management accounts in the year. NB advised it is important that the subsidiary reflects only the income and expenditure which relates to trading activities and that it is not supported by Angus Alive.</p> <p>The Board are required to approve the account in September 2020 and must be comfortable the company is a going concern for the next 12 months.</p> <p>KL advised Angus Council provide ANGUSalive with a letter of comfort. KH confirmed she has had positive conversations with Ian Lorimer Director of Finance, Angus Council and he has agreed the council will provide a letter if ANGUSalive require one.</p>
<p>8.</p>	<p>05_20_Finance Update</p> <p>KL advised the report was to provide an update on various financial matters for ANGUSalive and the associated Trading Subsidiary and highlighted a separate briefing paper on the implications in respect of the Coronavirus outbreak will be presented at item 9 and that some aspects of the implications in the finance update are mentioned where appropriate.</p>

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KL highlighted the ANGUSalive VAT return for quarter 4 of 2019/20 (for the 3 months ending 31 March 2020) was prepared by Finance officers. This was the second ANGUSalive VAT return submitted under the new Making Tax Digital (MTD) requirements. Following review and approval by ANGUSalive senior leadership the VAT return was submitted on 4 May 2020.

KL confirmed one of the business support measures announced by the Government in March was the ability to defer any VAT payments due between 20 March 2020 and 30 June 2020 and in line with that announcement, steps have been taken as set out by HMRC to defer the payment, this payment does not now need to be made until 31 March 2021 at the latest – although it can be paid earlier if circumstances allow.

KL highlighted the outstanding debt position as at 31 March 2020 and the Board noted movements from the previously reported position.

The Board noted the 2019/20 monitoring position against budget for ANGUSalive as a whole based on actual income received / expenditure incurred up to 31 March 2020.

The Board further noted the monitoring position shown does not include the costs of early retirement / voluntary redundancy (ER / VR) arising through the implementation of the organisation review, nor any cost sharing support to be received from Angus Council however KL confirmed following the adjusted position, the position indicates that the implications from implementation of the organisation review can be accommodated within 2019/20 without recourse to a drawdown from reserves.

KL highlighted the projected position in respect of the Renewal & Repair Funds as at 31 March 2020 allowing for contributions to the Funds per the 2018/19 final accounts process, the planned drawdown from the Facility Equipment Fund, the planned drawdown from the IT Equipment Fund and an allowance for interest to be earned in 2019/20 on the Funds held.

KL advised the Board at this time are usually asked to consider the provisional level of contribution to be made to top-up the R&R Funds however it is proposed for the 2019/20 financial year, not to make such a provision at this time and that the Board are now asked to formally agree a decision on the value of any R&R reserve to be created as part of the 2019/20 final accounts process be deferred until a more final position for 2019/20 can be determined and to allow more time to allow for the impacts from the Coronavirus situation when taking that decision.

The Board approved the course of action set out in terms of R&R Fund balances.

KL advised the work to prepare the 2019/20 final accounts is ongoing under a timetable to achieve presentation of the draft accounting statements for scrutiny at the Finance & Audit Sub Committee scheduled for 15 June 2020. At this time, it is expected that this timetable can be met, notwithstanding the current extraordinary circumstances and the challenges posed by the remote working environments that we are all now operating within.

	<p>KL confirmed an online meeting was held with the external auditors to discuss the practical challenges that the current working circumstances will pose with the audit process. And confirmed it is expected that the audit process can be completed to timetable, although may require practical adjustments to working practices depending on how the easing of the current lockdown measures progresses over the coming months.</p> <p>The Board noted that the timetable will be very challenging for ANGUSalive, Finance and external audit staff to achieve, but every effort will be made in this regard.</p> <p>KL confirmed the management fee settlement with Angus Council was agreed at the Council's special budget setting meeting on 27 February 2020 at £3,901,000 for the 2020/21 financial year and the Board noted work to develop the detail of the 2020/21 ANGUSalive budget has started mainly around the staffing budgets of the various elements of the organisational review.</p> <p>KL highlighted the detailed budget work has however been limited for now due to the focus on responding to the Coronavirus situation.</p> <p>KL confirmed this work will pick up again once a more settled position begins, but highlighted the current COVID-19 crisis will provide an ongoing challenge to the setting of the detailed budget.</p>
<p>9..</p>	<p>06_20_ Briefing Paper: COVID-19 Financial Implications</p> <p>KL advised the briefing paper was to provide the Board with information on the financial implications in respect of the Coronavirus outbreak, with a particular focus on ANGUSalive's cash flow position and overall financial security.</p> <p>KL highlighted that all facilities closed to the public from 20 March 2020 with Head Office and Libraries ACCESS service retained for a limited period although are now fully closed.</p> <p>KL advised Reid Hall, Forfar and Saltire Centre, Arbroath have however been made available to Angus Council to operate as food hubs under the banner of the Humanitarian Assistance Angus Response Team (HAART). KL confirmed all Direct Debit membership collections have been suspended and therefore there is no regular income coming into ANGUSalive at his time.</p> <p>The Board noted the furloughing of staff began from the end of Monday 23 March 2020 and the majority of employees were placed on furlough from 24 March 2020 but advised a number were placed on furlough on a phased basis to account for the work required to wind down operations and highlighted employees placed on furlough must remain so for a minimum period of 3 weeks.</p> <p>KL advised one of the business support measures announced by the UK Government in March was the Coronavirus Job Retention Scheme (CJRS) where the scheme allows employers to claim back 80% of the wages of a furloughed employee, up to a maximum of £2,500 per month per employee for the period that they are on furlough. KL advised</p>

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ANGUSalive were topping up the 20% which is consistently under review.

KL confirmed there has been some debate as to what the basis should be for what the scheme calls the “reference pay” and until recently we have been reliant on interpreting the information contained on the HMRC website.

KL highlighted the actual Treasury Directive is very clear that the reference pay for “fixed rate” or “salaried” employees must be “... the amount payable to the employee in the latest salary period ending on or before 19 March 2020”

KL advised the pay information from the end of February 2020 forms the basis of all claims for salaried employees and in respect of employees with variable pay (coaches / supply staff), the reference pay is the higher of the 2019/20 monthly average amount paid to the employee or the actual amount paid in the equivalent calendar month in the previous year.

The Board noted ANGUSalive has yet to make its first submission as there have been ongoing discussions between senior management, Finance officers and Payroll officers to ensure that the scheme is fully understood and that these discussions have been necessary as the terms of the scheme are clear that only 1 claim for any period can be submitted, and that once submitted it cannot be amended.

The Board noted ANGUSalive is in the position of having enough capacity and flexibility within its cash flow that it was not necessary to rush the first claim and it is intended to complete the March and April periods to be submitted by 22 May 2020.

KL highlighted close monitoring and robust forecasting of the cash flow are critical during the Coronavirus lockdown period to ensure the viability and sustainability of ANGUSalive looking beyond the lockdown period.

The Board noted the file issued along with the papers for this meeting to allow the Board to see the approach being taken and allow queries to be raised as necessary and advised the cash flow modelling is contained in the “cash flow projection & monitor” tab of the file. Cells coloured “green” indicate confirmed actual values.

KL provided an overview of the COVID-19 Financial Implications Spreadsheet and the Board noted that cash flow forecasting is a very fluid process – each day’s forecast is essentially out of date as soon as it’s complete given the inherent reliance on assumptions and predictions of future trends / behaviours and the cash flow forecast will by necessity therefore give different results as time goes on and some assumptions become actuals and other assumptions can be refined and made more robust. The board further noted the current modelling and approach are however considered to be robust for the purposes of preparing for the next few months of ANGUSalive activity.

KL highlighted the Government announced in March the ability to defer any VAT payments due between 20 March 2020 and 30 June 2020 and necessary steps have been taken to defer the payment due for quarter 4 of 2019/20.

	<p>KL advised Business Support Grants are available in respect of business premises with a Rateable Value (RV) between £18,000 and £51,000 and highlighted that discussions are ongoing with Angus Council’s Revenues & Benefits Service. Indications are though that ANGUSalive will be eligible for support, however until this is more definitive, no income has yet been assumed in the cash flow modelling.</p> <p>KL provided context for the board around the Coronavirus Job Retention Scheme claim levels – so:</p> <p>Based solely on the staff on furlough as at the end of April:</p> <ul style="list-style-type: none"> • Mar claim = £56k • Apr claim = £230k • May, Jun, Jul claims = £251k per month • Aug claim = £188k based on the speculation around a reduction to 60% support through the scheme • So reduction of around £63k - if the speculation on the post start of August scheme is accurate <p>KF requested a regular review is necessary as the Board aspiration is to pay 100% if we can but we need to balance for sustainability for the future.</p> <p>The Board agreed to review Furlough and top up at the Finance and Audit meeting on 15 June 2020 and further agreed this meeting would be extended to a Full Board Meeting.</p> <p>RP thanked KL & Leadership team for the work completed to date.</p>
<p>10.</p>	<p>07_20_Initial Facility Re-Opening Recommendations</p> <p>IS advised as part of the wider recovery strategy it was agreed during a the Coronavirus Briefing call No 6 held on Friday 1 May that the senior leadership team would bring an initial set of re-opening proposals for venue openings to the next meeting and highlighted a number of factors have been taken into account to establish a proposed phased re-opening of facilities.</p> <p>Further discussions will be necessary with community and facility partners about the viability of re-opening, e.g. Angus Council, Schools, Dundee & Angus College.</p> <p>IS provided an overview of the proposals in appendix 1 and highlighted factors taken into consideration including Revenue capabilities, Social distancing challenges, historical attendances, opportunities for redesign of future service offering, longevity of future facility requirements and staffing challenges.</p> <p>The Board noted ANGUSalive would continue to actively engage with various partners across the UK and Scotland to understand and interpret national guidance across all sectors and to actively engage with Angus Council to help</p>

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	<p>ensure a strategic and planned approach to re-opening facilities and services.</p> <p>The Board further noted an operation task force will be created from employees across ANGUSalive to work up a project plan for this recovery phase.</p> <p>The Board approved the recommended phasing of facility re-opening and a further detailed report to be tabled at the Finance and Audit Full Board meeting on 15 June 2020.</p>
11.	<p>Any other competent business</p> <p>Furlough & Annual Leave Guidance –Unison KH advised UNISON have said they do not agree to the furlough letter issued to salaried employees due to the annual leave guidance issued to employees. ANGUSalive have received guidance from Angus Council's HR and COSLA guidance.</p> <p>Memorandum of Understanding (MOU)- Unison KH highlighted challenges ANGUSalive were having with the Trade Unions, mainly Unison and advised that ANGUSalive did not feel in a position to agree to the terms of the MOU mainly as sole responsibility for furloughing staff under the Job Retention Scheme lies with ANGUSalive. KH also highlighted the MOU applies only to Unison members and does not include other relevant trade unions and is therefore not a collective agreement.</p> <p>Sports Awards</p> <p>CK extended a thanks to the Sports Awards team and thanked the Directors for their attendance.</p>
12.	<p>Date of next meeting</p> <p>15 June 2020 – Finance and Audit which will be extended to a full Board Meeting.</p>