

ANGUSalive

NOTE of MEETING of the Board of Directors of ANGUSalive held at 10:00 via Teams on Friday 23 October 2020

Present:

Name		Title	Initial
Kenneth	Fraser	Independent Director - Chairperson	KF
Hannah	Whaley	Independent Director - Vice Chairperson	HW
Bill	Duff	Council Director	BD
Lynne	Devine	Council Director	LD
Ronnie	Proctor	Council Director	RP
Ken	McKay	Independent Director	KM
Kirsty	Hunter	Chief Executive	KH
Nick	Bennett	Azets External Auditor	NB
Kevin	Lumsden	Angus Council Finance Manager	KL
Colin	Knight	Senior Manager Sport and Leisure	CK
Iain	Stevens	Senior Manager Business Management and Development	IS
Lesley	Hadden	Project Lead	LH
Graham	Thom	Board Executive Assistant	GT
Apologies			
Colin	Brown	Council Director	CB
Alan	Rae	Independent Director	AR
Robbie	Francis	Company Secretary	RF
Gordon	Cargill	Service Leader Angus Council (Governance & Change)	GP

Item No	Note
1.	<p>Welcome & Apologies</p> <p>KF welcomed everyone to the meeting and noted apologies.</p> <p>Apologies: Colin Brown, Alan Rae, Robbie Francis, Gordon Cargill.</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 of interest were made.</p>
3.	<p>Minutes of Meeting on Friday 17 July 2020</p> <p>The minutes from 15 June 2020 were erroneously attached to the Board Pack. KF advised the minute of the meeting of the 17 July will be issued to the Board following this meeting. KF further advised approval and matters arising would be considered at the meeting on Friday 11 December 2020.</p>
4.	<p>Matters arising from the Minute of Meeting Friday 17 July 2020</p> <p>Matters arising from the minute of the meeting will be raised at the meeting on 11 December 2020</p>
5.	<p>Approval of the Minute of the Meetings of the Finance & Audit Sub-Committee</p> <p>HW highlighted the Finance & Audit Sub Committee meeting held on Friday 25 September 2020 was extended to the full Board. HW confirmed the meeting had been in preparation for signing of the annual accounts at this meeting.</p> <p>It was identified that there was an error in item 5 paragraph 2 of the minute. KH advised the minute would be updated and reissued.</p> <p>The remainder of the minute of the meeting was unanimously approved by the Finance & Audit Sub Committee members.</p>

	<p>HW highlighted any actions arising were not for this meeting and would be raised at future Finance & Audit Sub Committee meetings.</p>
<p>6.</p>	<p>Annual Accounts</p> <p>KF requested item 7, Annual Accounts & External Audit was moved ahead of the Chief Executive Update in the Agenda. The Board agreed this request. KL advised he would highlight various key points throughout the report and then hand over to NB, external auditor, for any additional comment as part of the report includes the Audit Highlights Memorandum which is a replacement for what was previously the Audit Management Report.</p> <p>KL highlighted the first 4 recommendations in this report were for the Trading Company Board meeting which took place prior to the Full Board meeting. KL confirmed the Trading Company Board had approved the accounts for signature and thereafter submission to Companies House.</p> <p>KL highlighted that the report was largely the same as the previously considered interim accounts discussed at the Finance and Audit Sub-Committee meeting and the changes to note were between 25 September 2020 and today.</p> <p>KL advised section 6 details the movements on the statement of financial activity relating solely to the charity and details the movements for items finalised as part of the remaining audit work post 25 September 2020 meeting.</p> <p>KL provided an overview of the table at 6.1.2 which presents the charity's net income and advised further movements had been required. The Board noted the total net movement in funds and the movement from the interim position presented in September 2020.</p> <p>KL also provided an overview of the table at 6.1.3 which provides the cash net income position for the accounts. KL advised this figure excludes pension entries as these are not real cash entries. KL highlighted the comparative figures for 2018/19 were also shown for information.</p> <p>KL advised the movement in real net income is largely the result of the underachievement on income targets, primarily in Sport & Leisure as reported to the Board throughout 2019/20. KL advised these were offset by savings achieved in staff costs, robust control of all other expenditure headings and the movements identified.</p> <p>KL highlighted the balance sheet position advising the main movement from that presented as part of the interim accounts, relates to the movements identified at table at 6.1.2, with the associated change in the reserves values that</p>

result from those changes. KL further highlighted the split of the reserves between restricted and unrestricted has been amended to reflect the final working papers.

KL confirmed the group accounts present the combined consolidated financial position of both the trading and charity companies and advised entries between the 2 companies are eliminated during the consolidation.

KL emphasised the group accounts were largely in line with the Charity accounts and highlighted the net cash position again advising the movement in real net income due to underachievement on income targets, offset by savings achieved in staff costs, robust control of all other expenditure headings and the movements identified.

KL confirmed the group balance sheet highlighted that there are unrestricted reserves as at 31 March 2020 which represents an increase from 2018/19. This is due to the strategic decision agreed earlier in the year not to contribute to the Renewal and Repair (R&R) funds in 2019/20 in order to retain the maximum available level of unrestricted general reserves to assist in addressing the challenges and pressures of operating in the COVID-19 environment.

KL stressed, as detailed in the Audit Highlights Memorandum, the principle of going concern was identified as a key risk area given the ongoing challenges of operating in the COVID-19 environment and that the assessment of ANGUSalive as a going concern is a requirement of the company's final accounts process as well as to provide reassurance to the Board and the Council on the position of the company.

KL confirmed the assessment is very much focussed on the company's cash flow position and whether there are sufficient projected resources to maintain the company through the 12-month period following the signing of the annual accounts. KL confirmed that if the accounts presented in this report would be approved for signature by the Board, the 12-month going concern assessment covered the period.

KL confirmed the accounts were attached to the report which includes the trustees report information and content as well as the statements of financial activity for both the charity and trading and the balance sheets and disclosure notes. The pack also includes the Audit Highlight Memorandum.

KH added for the Board's information, that the Board Pack also included the signed letter of comfort from the Angus Council Director of Finance along with a new letter of engagement for Azets (formally Scott Moncrieff) as the external auditors.

External Audit

NB provided a high-level overview on the Audit Highlights Memorandum prepared for ANGUSalive and Angus CLT (Trading) Limited for year end 31 March 2020.

NB confirmed Azets were pleased to report their audit reports, which are included in the financial statements are unqualified.

NB confirmed the reconciliation of the trial balance presented to the audited financial statements and highlighted the payroll creditor and holiday pay accrual adjustments. NB highlighted a summary of the main features of the financial statements and key movements from the prior financial year.

NB confirmed during the audit planning process Azets identified various key risk areas and as part of the year end work have followed up on these areas and provided a summary of the main points and corresponding conclusions.

NB provided an update on the key risk of “going concern” following the closure of venues for a significant part of 2020/21 as a result of the coronavirus pandemic. NB confirmed that in order to ascertain if the charity would continue to operate as a going concern a review was carried out on forecasts and budgets for the next year. A letter was also obtained a letter from Angus Council confirming that they would put in place a number of financial and other support measures to ensure ANGUSalive can continue to trade on a going concern basis and meet the Trusts cash liabilities for over at least the next 12 months.

NB highlighted the preparation and audit of the accounts working remotely has been difficult for everyone involved and paid credit to Finance team, ANGUSalive team and his own team.

On behalf of the Board, KF also extended thanks to all teams and highlighted to get to this position is a credit to everyone’s commitment in these challenging times.

It was highlighted that preparing the accounts remotely had been challenging but now the process was established it would be more streamlined if it were required to be done the same way in future years.

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BD noted the auditors' comments were useful and queried the creditor income of £33k. NB confirmed this was an adjustment due to a bank reconciliation error that had not been put through the accounts but was picked up during the audit and that it does not affect the audit decision. KL highlighted the error had been due to differences in timings for end of year calculation and that the error had now been identified and processed in the current year. LD asked if it was feasible to have monthly checks for banking requirements. KL confirmed this was already in place and the lateness was through disruptions due to the COVID situation.

KL asked the Board to note that provision of banking services was being retendered for both Angus Council and ANGUSalive and that procurement have suggested to the project lead that ANGUSalive bank records should be separated from Angus Council banking through processing in a separate online environment.

HW enquired that although the 2019/20 accounts had been approved on a going concern basis, whether a letter of reassurance would be required next year to conclude the current 2020/21 accounts on a going concern basis with the ongoing crisis. KH asked the Board to note that the next financial year in 2021/22 was likely to be even more challenging due to limitations imposed by the virus and possible reductions in government support.

KF asked the Directors if they were satisfied that the accounts could be signed, and all agreed. KL highlighted the Trading Accounts were already formally approved by the Trading Board and that they could be submitted to Companies House with electronic signature. Signed copies to be sent by Directors to NB to formally approve the accounts for submission.

The Board of ANGUSalive noted the content of this report and that an interim version of the accounts statements was reviewed and scrutinised by the Finance and Audit Subcommittee at their meeting of 25 September 2020. The Board further noted the going concern assessment at section 8 of this report the provision of the letter of comfort from Angus Council.

The Board reviewed and approved the letter of representation, approved the accounts for signature and thereafter submission to Companies House and the Office of the Scottish Charity Regulator.

7.	<p>Chief Executive Update</p> <p>KH thanked NB and his team at Azets, Finance and ANGUSalive for the work done to complete the external audit.</p> <p>KH asked the Board to note that ANGUSalive had been asked to help meet the requirement of Angus as a local authority area to provide Contact Tracers to support the national Test & Protect effort during the Covid crisis. There have been two ANGUSalive staff seconded to the NHS to provide this service and following training will commence these roles in week beginning 26 October 2020.</p> <p>KH also asked the Board to note that work was progressing on the Angus Culture Strategy and the Sport and Physical Activity Framework. A meeting of the Cultural Consortium was held on Thursday 8 October 2020 where Jeanie Scott from Culture Radar update the group which includes representatives from Tourism and Enterprise, Historic Environment Scotland, ANGUSalive, and Hospital Field. Plans to include Dundee and Angus College and the National Trust are also being made.</p> <p>A meeting on Thursday 22 October 2020 for the Sport and Physical Activity Framework was held with representatives from ANGUSalive, Angus Council and sportscotland where our Adult and Community Physical Activity Lead provided an update on progress. It was agreed the Directors would be updated further during the next Board meeting in December. KH highlighted that sportscotland positively acknowledged the progress made by ANGUSalive in reopening facilities and services.</p> <p>KH confirmed that, as noted in the Finance and Audit Sub-Committee meeting held on Friday 25 September 2020, the Lost Income Scheme would include ALEOs, such as ANGUSalive, for support although no details of how much this would be are available yet.</p> <p>KH highlighted that changes to the previous high-level information provided by the UK Chancellor regarding the Job Support Scheme which forms part of the Winter Economy Plan are significant. Initially the scheme required employees to work 33% of their normal hours but this has now been reduced to 20%. The initial employer contribution of 33% of unworked hours has also been reduced to 5% with the government providing 61.67% of hours not worked up to a cap of £1,541.75. KH noted that, following discussion with the Client opening hours for facilities (excluding sports facilities and country parks) would be tailored to maximise the benefit of the new scheme. HW proposed this was recorded as the official position and this was agreed by LD and KF.</p>
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KH highlighted that from a cashflow perspective, the accounts would show a zero balance by year end, based on current forecasts which are subject to significant volatility, although in accounting terms this would be a loss.

BD asked for an update on the situation with ACCESS provision. KH confirmed the Arbroath library is now open Monday-Friday from 10:00-14:00 to meet the higher demand for this facility and ACCESS services are being provided from the library. To reduce resources demand, moving this service to Arbroath library on a permanent basis may be required. In the large libraries, ACCESS services are available Wednesday-Friday 10:00-14:00 with the smaller libraries available Tuesday 10:00-14:00 under the current temporary opening hours. RP asked for clarification as to whether the library service provision may change with the fluid situation and various phases of the exit route map. KH confirmed that the service provision is under constant review and may change as required depending on government restrictions, but current plan is to maintain services currently on offer with the addition of mobile library service resuming on Tuesday 03 November 2020. KF asked if there was any indication of Client expectation for service delivery. KH confirmed there is discussion with the Client in this area and a report is being generated to confirm the current service delivery. This will be approved by elected members to show that delivery during the Covid-19 pandemic has been different to the agreed service specification. KF requested there is a formalisation of client expectations moving forward. KH highlighted that Angus council have confirmed that there will be no reduction in the management fee despite service specification not being met in full.

KH informed the Directors that there will be an 'All Hands' call on Tuesday 27 October 2020 to update the team about the JSS and how it might affect them. More information will be available following a meeting with Angus Council payroll on Monday 26 October. It is likely that employees will need to be informed in writing about these changes and sign their agreement.

Recovery

Libraries, Museums, Galleries and Archives

IS confirmed all seven libraries are now open and providing click & collect, limited browsing and ACCESS services. It was highlighted the in-person ACCESS service is only meant to be provided when the digital or telephone services are not suitable for the user. IS noted that data of service usage was being collected and analysed and would be used to inform future decisions. HW asked whether the click & collect library service, where books are allocated by genre only, could go back to a hold and reserve type service for specific titles. IS confirmed this was being looked at now that all libraries were open again.

Arbroath's Signal Tower museum has been open since 2 October 2020 and has received Visit Scotland's 'Good to Go' seal of approval for Covid related preparations and safety measures already in place.

LD enquired about plans to open other museums again. KH confirmed work was being carried out on the Exhibition Programme for 2021 including working with National Museums Scotland, the Royal Scottish Society of Watercolourists but opening further venues would be dependent on the new Job Support Scheme, venues being able to allow for social distancing and meeting ventilation requirements.

IS asked the Board to note bACTIVE membership had fallen between closure in March 2020 and now (from around 8,200 to 6,857 memberships) with approximately 2,000 of these still frozen. KH noted this was similar to LiveBorders who serve a comparable demographic to Angus. Average BACS run income between January and March 2020 was £176k compared to £48k in October (27% of pre-Covid) although the lower priced 'Welcome back' offer which reflects the limited services available also contributes to this reduction in income. Income projections had forecast an income of 25% of previous levels so income was slightly above this and showed our projections were accurate. Average new memberships between January and March was 102 per month and this has risen to 570 new members since reopening in September. Online bookings have also increased significantly with 14,500 made in October compared to 2,400 for the same period last year. KF asked whether the new pricing plan set to launch in January 2021 could be put on hold if the challenging times continued. IS confirmed that this was a possibility and that ANGUSalive would remain reactive and adaptable depending on government restrictions.

Sport and Leisure

CK confirmed all sports centres are open again with the same opening hours as previously stated. Gym use and fitness class attendance are steadily rising with 8% usage compared to the same period last year. Classes are being reviewed along with the reintroduction of other indoor sports and activities.

CK noted swimming pools are now open in Forfar, Brechin, Arbroath and Montrose with club swimming having resumed on 19 October. 58% of public lane swimming sessions are now being used. CK highlighted that there had been good feedback from both the public and swimming clubs about the reopening procedures and that the issue which had arisen at Forfar pool was being addressed and there would be a meeting with the club and Scottish Swimming shortly. Outdoor grass and synthetic pitches, currently open 09:00 – 12:00 at weekends, will extend opening to 16:00 from 1 November (Synthetic at BCC and FCC, grass pitches at Arbroath). Countryside Adventure holiday programme was well attended with 97 participants (97% capacity) taking part in the Paddle and Peddle programme at Monikie. Conservation activities were fully booked with 48 participants. The bike bubble and adaptive cycle sessions are still being well utilised and will run until the end of November. Theatres and venues remain closed with the exception of essential bookings such as blood donor sessions and NHS flu vaccination sessions. Shows which were cancelled in 2020 are being reworked into the 2021 programme and discussions are happening with the marketing team round the best way to advertise these.

<p>8.</p>	<p>Cashflow</p> <p>KL advised the 2 cashflow files that were distributed with the papers were sent to Azets to assess the going concern status. Also issued was a high-level file looking at the following financial year position from a cash perspective.</p> <p>KL highlighted there was an element of uncertainty in the projection as the current CJRS is coming to an end and the details for the new JSS are yet to be provided from HMRC. Following issue of the paper KL has revised the calculation provided by payroll for the submission of the September 2020 claim file. The estimated claim for September 2020 was calculated by payroll which was less than originally projected, and this will be reflected in the claim for October. KL highlighted a drop in cashflow however the new JSS hasn't been included due to the uncertainty of how the scheme will work.</p> <p>KL asked the Board to note no income was included for the JSS as no solid information was available at this point for calculation. KL highlighted that from a going concern perspective, the yearend cashflow should show balanced accounts. DD projections for October – December were lowered to reflect the comeback offer and higher in January to reflect new pricing scheme and usual increase in membership at this time of year albeit from a lower starting point.</p> <p>KH highlighted the challenges of projections moving forward in terms of comeback due to ever shifting government guidance and restrictions because of the coronavirus spread. HW highlighted it was important that forecasting was consistent and monitored to provide reassurance. KL confirmed forecasting was being done with a pessimistic approach to income levels and expenditure to provide a cushion if things were even more limited than expected.</p>
<p>9.</p>	<p>Safety, Health and Wellbeing</p> <p>IS provided the Board of Directors with an update on Safety, Health and Wellbeing performance across ANGUSalive for 2019/20.</p> <p>The board noted the content of the report.</p> <p>Following discussion on the Coronavirus pandemic KH to confirm at the next Board meeting whether COVID-19 cases will be reported to RIDDOR. KH to also confirm how this will be reported to Board.</p>

<p>10.</p>	<p>Sickness Absence Performance</p> <p>IS provided the Board of Directors with an update on the level of sickness absence within ANGUSalive for 2019/2020.</p> <p>IS advised that by quarter, sickness was lower in 2019/20 than the previous year and highlighted that Angus Council had developed a new reporting system which now includes a wider range of reasons for absence. IS confirmed 2018/19 figures had therefore not been included as a comparison for this year's report.</p> <p>KH highlighted that cost of sickness absence was higher due to prolonged absence at middle management level. BD highlighted absence through stress and anxiety was still considerably less than that seen in Angus Council. KH stated that mental health is monitored, and training is being provided to line managers to help support staff.</p>
<p>11.</p>	<p>Customer Feedback</p> <p>IS provided the Board of Directors' with an update on the customer compliments, feedback and complaints received during the year 1 April 2019 to 31 March 2020</p> <p>The Board considered the performance information in relation to customer compliments, feedback and complaints contained within this report and noted the change to the customer feedback arrangements introduced across the charity in October 2019.</p> <p>The Board further noted the procurement and development of a new complaints system, WorkPro, to be implemented in November 2020 to streamline the data collection process and improve the complaints handling procedure in phase 1 of the project. Phase 2 will then rollout further functionality e.g. FOI.</p> <p>IS highlighted during 2019/20 fewer complaints were made and of these complaints, fewer were upheld. IS advised there are always lessons to be learned from customer complaints to help us improve our service delivery and ultimately customer satisfaction.</p>
<p>12.</p>	<p>AOCB</p> <p>KL requested the Board consider moving the date of the next full Board meeting from 4 December to 11 December 2020 to account for the Angus Council public holiday closure. This was agreed following the meeting.</p> <p>Nominations Committee to be established to progress recruitment of Independent Directors ACTION: RP to remind Angus Council about reappointment of Directors and update the Board at the next meeting.</p> <p>KF enquired about progress in terms of the business plan for 2021/22. KH responded that work was ongoing with the Client regarding what the future Services Specification will include following the Transformation Project.</p>

13.	Date of next meeting Covid Briefing – TBC based on requirements in response to the operating environment Full Board – Friday 11 December 2020
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