

Falkirk Community Trust

Board Meeting
9th November 2017 11.00am
Green Room, Callendar House

AGENDA

Tea & Coffee from 9.15am

Agenda Item	Item	Purpose
1	Minute of Meeting held on 31 st August 2017	Approval
2	Matters Arising	Information
3	Budget Control Statement <i>Report by Financial Adviser (Chief Finance Officer, Falkirk Council)</i>	Approval
4	Risk Update <i>Report by Business Development Manager</i>	Information
5	Health & Safety Update <i>Report by Sport & Recreation Manager</i>	Information
Coffee 10:45 – 11:00		

The following part of the meeting will be held in Private in accordance with the Trust's Protocol for Public Meetings and members of the public will be excluded.

AGENDA Part 2 : Private & Confidential Items		
Agenda Item	Report Title	Purpose
6	Draft Business Plan 2018/19 <i>Report by Chief Executive</i>	Approval

Falkirk Community Trust

Board Meeting Minute

Minute of a meeting of the Board of Directors of Falkirk Community Trust Limited (the "Company") held at Callendar House on **31st August 2017** at 11am. Ruth Morrison (RM) chaired the meeting throughout.

Items 1 – 8 were considered in public. 2 members of the public attended.

Present: Ruth Morrison (RM) Chair; Suzanne Arkinson (SA), Cllr Lorna Binnie (LB); Cllr William Buchanan; Cllr Joan Coombes (JC); Derek Easton (DE); Colette Filippi (CF); Cllr Jim Flynn (JF); Cllr Cecil Meiklejohn (CM)); Simon Rennie (SR); David White (DW).

Apologies: Nil

In Attendance: Maureen Campbell (MC); Neil Brown (NB); Paul Finnie (PF); Lesley O'Hare (LoH); Jane Clark (JC); Danny Cairney (DC); and Greg Brown of Drummond Laurie (items 1-4).

No.	Agenda Item	Agreement / Action	Due Date	Who
		Agenda Part 1: Business Items		
	Welcome	RM welcomed all new and returning Directors to the meeting, including two further Council nominated Directors: Cllr Coombes and Cllr Buchanan. The Board noted that, Steve Mackie has tendered his resignation with effect from 18 th August 2017; and the intention of the Chair to recruit to this vacant independent position in due course after a period to allow the new Board to establish itself. RM to write to Steve to express appreciation for his contribution.		RM
1	Minute of Meeting	The minute of the meeting held on 15 th June 2017 was approved.		
2	Matters Arising	<p><u>Appointment of Vice Chair</u></p> <p>Cllr Joan Coombes was nominated by CM and seconded by JF. Cllr Joan Coombes was appointed as Vice Chair of the Trust Board.</p> <p><u>Event Strategy</u></p> <p>The Board noted the 3 year operational delivery plan has been circulated in the information papers.</p>		
3	2017/18 Budgetary Control Statement	<p>DC presented an initial update on the projected financial position for the year 2017/18 based on the period to end July. The Board noted that at this early stage there is a projected deficit on charitable activities of £172,000 above the budgeted resources and that a favourable movement on employee costs is consistent with the under spend reported for the last financial year.</p> <p>The Board welcomed the very positive turnaround in the Trading Company performance and noted that the challenge now is to maintain this momentum.</p> <p>The Board discussed the need for close monitoring of budget performance and noted that whilst stretch targets demonstrate ambition, non-achievement requires to be balanced by reducing expenditure.</p> <p>The Board discussed the reserves position and noted that funds are invested through a similar to policy to that of Falkirk Council.</p>		

4	2016/17 Annual Accounts	<p>RM noted that the Audit & Performance Group have reviewed the accounts as part of their scrutiny role. Greg Brown from Drummond Laurie advised the Board of a very positive audit process and that there were no matters for attention in the audit report with credit due to our accountancy team. The Board noted that a letter of support had been received from Falkirk Council in respect of funding for the full 12 month period to March 2019.</p> <p><u>Decision</u></p> <p>The Board approved the Trust's Financial Statements for the period to March 2017.</p>		
5	2016/17 Annual Report	<p>The Board noted the draft Annual Report and that although design work is ongoing it gives a good sense of direction. The Board welcomed the customer focus and asked for the role of volunteers to be highlighted. The Board noted that a news item would be prepared. The Board approved publication in due course and noted that it will be reported to Falkirk Council.</p>		
6	Collections Development Policy 2017-22	<p>The Board noted that this policy details how we acquire, look after and dispose of the collections and is supported by 3 policy statements on care and conservation, documentation and environmental policy. The policy is revised every 5 years and its predecessor was singled out as an example of best practice by Museums Galleries Scotland. The link to exhibitions was discussed. The Board asked that consideration is given to endowments and to providing an explanation of what is meant by "no disposal by exchange".</p> <p><u>Decision</u></p> <p>The Board approved the updated Policy for forwarding to the Council for their approval.</p>		LoH
7	Sub Group Membership	<p>The Board approved the membership and operation of the following:</p> <ul style="list-style-type: none"> • Trading Company Board • Audit & Performance Sub Group • People Sub Group • Health & Safety Link. <p>The Board discussed risk management and asked that a risk update is included as a standing item at their quarterly meetings and a presentation on Health & Safety arrangements is brought to a future meeting.</p>		Management Team
8	Heritage Delivery Plan 2018-23	<p>LoH presented this 5 year plan for the area which is the 2nd Heritage Plan developed under Inspiring Active Lives and seeks to develop much stronger links and closer co-operation between heritage practitioners and interests. It comes on the back of significant growth in tourism. The Board discussed the areas unique industrial heritage and noted the work ongoing to bid to the Heritage Lottery Fund for a Great Places project taking its inspiration from the industrial past. The Board asked that the connection to the education sector be more explicit and felt that the industrial past and the heritage contribution to place making may not be clear enough and noted that there is an opportunity to clarify through the consultation process.</p> <p><u>Decision</u></p> <p>The Board approved the plan for consultation.</p>		LoH

Agenda Item 2

Falkirk Community Trust

Matters Arising (Meeting 31st August 2017)

Board Meeting: 9th November 2017

Item	Action	By Whom	Update
	Letter expressing appreciation for contribution to be sent to Steve Mackie	RM	Complete
6	<u>Collections Development Policy</u> The Board asked for an explanation of 'no disposal by exchange'.	LoH	This clause is to prevent informal swapping of artefacts either between museums or between a museum and a private collector where there could be a possibility either of financial gain by a museum or simply avoiding the formal approval and recording of the removal of an artefact from the collection.
7	<u>Sub Group Membership</u> The Board asked that a risk update be included as a standing item.	Mgt Team	Agenda Item 4 on Agenda
8	<u>Heritage Delivery Plan</u> The Board asked that the connection to the education sector be more explicit and felt that the industrial past and the heritage contribution to place making may not be clear enough and noted that there is an opportunity to clarify through the consultation process.	LoH	Draft Plan amended to take into account specific further education links. Consultation Plan discussed with Council Leader and Portfolio Holder on 2/11/17 and the consultation process will begin thereafter.

Falkirk Community Trust

Subject: Budgetary Control Statement
Meeting: Falkirk Community Trust Board
Date: 9 November 2017
Author: Chief Finance Officer, Falkirk Council

1. Introduction

- 1.1 This report presents an update on the projected financial position of the Trust's activities for 2017/18.
- 1.2 Budget monitoring reports are an essential element of sound financial management, with the reports to the Board underpinned by monthly reports to managers. The main purpose is to ensure that income and expenditure continues to be managed effectively and is consistent with budget.

2. Overall Financial Projection

- 2.1 The attached statement (Appendix 1) sets out the projected outturn at March 2018 based on actual performance to the end of September 2017. At this stage in the financial year there is a projected deficit on charitable activities of £296,000, which is £196,000 (1.1%) above the budgeted resources available. This is an increase of £124,000 in comparison to the position reported previously to Board in August 2017. The movement in the projected deficit is largely as a direct result of recognising approved expenditure from reserves of £870,000, with £250,000 due to be spent in the current financial year.
- 2.2 Significant variations in expenditure and income are detailed below.

3. Expenditure

- 3.1 Employee costs account for £11m (64%) of the Trust's budget and are projected to be £296,000 (2.6%) lower than budget. Sports accounted for £248,000 of this underspend.
- 3.2 It is anticipated that planned investment projects funded from reserves of £250,000 will be undertaken in 2017/18. In addition to this, expenditure of £59,000 on the car park at the Helix will be funded from the Helix reserve. This represents a total of £309,000 of additional expenditure.

4. Income

- 4.1 The Service Payment from the Council accounts for £11.4m (66%) of the Trust's resources. Of the remaining balance, customer fees and charges account for £5.2m (30%).
- 4.2 Customer income is projected to be £295,000 below the budgeted target. However, this is an improvement of £170,000 from the previous projection, primarily due to a realignment of budgets to move them more closely to actual activity in the current financial year. In comparison to the same period last year, actual income received is £125,000 (5%) higher in 2017/18.
- 4.3 A summary of projected variances and actual income to September 2017 is detailed at Appendix 2.

5. Trading Company

- 5.1 The Trading Company's projected surplus is £337,000 for the financial year (2016/17 surplus - £269,000). The Trust's accounts reflect a budgeted charitable donation of £239,000 from the Trading Company. The balance of £98,000 will be invested in the Trading Company during the current financial year.

6. Reserves

- 6.1 The Board agreed that it would maintain an unrestricted reserve of 2% calculated on the basis of the Service Payment received from Falkirk Council and the total budgeted expenditure. This gives a range of between £229,000 and £381,000.
- 6.2 Taking into account the financial projection for 2017/18, the agreement to create a specific reserve of £270,000 for future severance costs, earmarking £620,000 for investment projects and a transfer from the Helix Reserve of £228,000, the projected unearmarked reserve at the end of the financial year is £595,000 which is derived as follows:

	£'000
Opening Balance	1,553
2017/18 Deficit	(296)
Helix	228
Investment Projects	(620)
Severance Costs	<u>(270)</u>
Closing Balance	<u>595</u>

- 6.3 The movement on the Helix Reserve incorporates the expenditure of £59,000 on the car park, an allocation of £85,000 towards the Helix Management Plan and a transfer of £254,000 back to the Unrestricted Reserve, this is summarised below:

	£'000
Opening Balance	367
Car Park	(59)
Transfer	(254)
Helix Management Plan	<u>85</u>
Closing Balance	<u>139</u>

7. Balance Sheet

- 7.1 Appendix 3 details the Trust Balance Sheet. As at September 2017 the bank balance is £3.9m and the net assets are £3.3m. The debtors figure of £0.6m primarily represents income due from Falkirk Council to the Trust. The creditors balance of £3.6m is mainly the amount owed to Falkirk Council for the payment of salaries and expenses paid on behalf of the Trust.
- 7.2 The projected position at March 2018 shows net assets of £1.6m, representing £1.5m of restricted funds and £0.1m of unrestricted funds.

8. Recommendation

- 8.1 The Board is invited to note the projected year-end financial position for 2017/18.



Chief Finance Officer

**FALKIRK COMMUNITY TRUST - 2017/18
BUDGETARY CONTROL STATEMENT**

Falkirk Community Trust

6 Months Ended Sept 2017

Chief Executive : Maureen Campbell

	Annual Budget £'000	Actual to Date £'000	Projected Outturn £'000	Variance (Fav)/Unfav £'000	Previous Projection £'000
Employee Expenses	11,052	5,193	10,756	(296)	(367)
Property Expenses	2,232	725	2,232	-	-
Transport Expenses	187	63	187	-	-
Supplies & Services	2,929	1,419	2,846	(83)	-
Third Party Payments	21	(221)	21	-	-
Support Services	806	403	806	-	-
Capital Costs	94	-	94	-	-
Project Costs	0	-	309	309	-
Gross Expenditure	17,319	7,581	17,249	(70)	(367)
Service Payment	(11,433)	(5,717)	(11,433)	-	-
Grants	(342)	(368)	(371)	(29)	(26)
Sports Facilities	(4,001)	(1,810)	(3,656)	345	474
Other Facilities	(859)	(566)	(850)	9	18
Charitable Donation	(239)	-	(239)	-	-
Other Income	(346)	(209)	(405)	(59)	(27)
Total Income	(17,219)	(8,670)	(16,954)	266	439
(Surplus)/Deficit*	100	(1,089)	296	196	72

Add: (Surplus) as at 1 April 2017

(1,553)

Transfer to / (from) Helix Reserve

(228)

(Surplus) as 31 March 2018

(1,485)

Projected Unrestricted Reserves @ 31 Mar 2018:

Unrestricted Reserve (595)

Approved Projects (620)

Voluntary Severance (270)

(1,485)

*For the 2017/18 Budget the Board agreed a reserve contribution of £100,000

Falkirk Community Trust

Subject: Risk Update
Meeting: Falkirk Community Trust Board
Date: 9 November 2017
Author: Business Development Manager

1. Introduction

1.1 This report provides a summary statement on strategic risks affecting the Trust. Strategic risks typically affect the whole organisation and can potentially pose significant hazards and the Board are asked to consider the current position.

2. Risk Position

2.1 The Senior Management Team regularly review the risks facing the Trust and have identified the following three risks as being particularly pertinent at this time.

Risk	Risk Level	Mitigation
<p>Financial Sustainability Significant financial pressures on public sector funding resulting in a year on year reduction in funding for Culture and Sport.</p>	High	The Trust's Business Approach sets out a direction for new areas of income growth and the potential for greater community involvement in service delivery. A project to grow income through a new soft play development is underway. The Trust's Business Plan will maintain a focus on customer development and income growth. The Trust's Trading Company plans will aim to perform well to enable charitable donation to be made to the Trust.
<p>Assets and Property The properties which the Trust leases from Falkirk Council suffer from a lack of investment which is a challenge for both the Council and the Trust. Failure in plant and machinery within ageing physical assets could lead to facility closure and service reduction. Failure to invest in modernisation to better meet the needs of customers negatively affects Trust's ability to generate increased customer income.</p>	High	The Trust participates in the Council's Strategic Asset Management Group to plan for capital investment and rationalisation of property assets. The Trust receives an annual capital allocation which is £520k in 2017/18. The Trust's business planning process will take account of asset condition when reviewing facilities and the Trust will engage the Council in considering the longer term viability of the assets.
<p>Barclay Report The Barclay Report recommended that charitable trusts managing sport, leisure and cultural services on behalf of Councils should no longer receive rates relief. The Scottish Government have deferred their decision on this recommendation which has created uncertainty. There is also</p>	High	The Trust and the Council have both written to the Minister expressing concern and asking that the recommendation is not taken forward. We have been advised that further consideration and engagement by the Government will be undertaken before the position is confirmed later this year. Professional and industry bodies VOCAL and Sporta

uncertainty how the Council might respond if the recommendation were to be accepted.		have made strong representation.
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3. Recommendation

3.1 The Board is asked to note the risks outlined in this report.

Jane Clark

Jane Clark
Business Development Manager

Falkirk Community Trust

Subject: Health, Safety & Risk Update
Meeting: Falkirk Community Trust Board
Date: 9 November 2017
Author: Sport & Recreation Manager

1. Introduction

- 1.1 The purpose of this report is to inform and update Board members of the current status regarding our ongoing Health, Safety & Risk (HS&R) record, and management process across all Trust locations and staff. This is an update report following the report submitted to the Board in August 2017.

2. Operational Issues and Developments

- **The Health, Safety & Risk Group** – The groups last meeting took place on 22nd September with several new members in attendance. A number of items were discussed including our emergency response mechanisms relating to a Major Incident Occurrence and feedback was provided to the group following a debrief session from the multi-agency group. Information, feedback and discussion was also provided by our Council Health & Safety Advisor on the progress on health & safety audits currently being undertaken at various locations.
- **Incident / Accident Responses** – Two major incident responses have taken place at the Mariner Centre since last reporting to the Board. A male member of the gym had a cardiac arrest while exercising, and our staff responded excellently by providing the appropriate emergency treatment and using the on site defibrillator until the emergency services arrived. This quite literally saved his life and he has since made a full recovery after major heart surgery. The second incident involved a female customer who became unwell and lost consciousness after attending an aqua-fit class. Again our staff responded to this emergency and stabilised the customer until the emergency services arrived. On both occasions the para medics commended our staff on their prompt and professional actions and said both casualties would not have survived without their intervention.
- **Business Continuity Plans (BCP)** – Recent discussions held with our Internal Audit advisers has highlighted a gap in our Business Continuity process. We require to devise a Strategic BCP to provide an overarching approach to Business Continuity which is closely aligned to our existing Emergency Action Plans and Normal Operating Procedures. Members of the Trust Senior Management Team have arranged a working seminar to discuss this need and to draft an appropriate Strategic Plan for use.
- **Fire Detection and Safety improvements** – Fire detection and alarm systems at Bo'ness Town Hall and Grangemouth Town Hall have been improved with essential wiring and system upgrades. There have been a number of inspections of our venues recently which will also require some investment to improve and upgrade Fire Systems. These will be discussed at the HS&R group and with our colleagues in the Council to establish appropriate budget responsibilities. I have also been invited to attend a discussion with the Fire & Rescue Service at Falkirk Fire Station to discuss the outcome and progress of our recent inspections.

- **Food Safety Inspections** – Recent food safety inspections by Falkirk Council Environmental Services have taken place at Callendar House and Grangemouth Sports Complex. Reports have been received and we are currently working to make the recommended improvements and changes required. These were mainly of a “housekeeping” nature and no major concerns were reported. All required improvements / changes are well under way.
- **Helix Update** – Changes to working practices are planned to improve the layout of the Visitor Centre catering arrangements to remove the trays and stockpiling of dishes and crockery from the public areas in a more efficient manner. This should assist in preventing any unnecessary accidents through spillages and trip hazards.

3. Performance

3.1 Accident Performance Management

We continue to closely monitor our performance in respect of accidents within our venues. Current statistics are as follows:

Staff Accidents

- From July 2017 to Sept 2017 (inclusive) there have been a total of 7 accidents involving staff reported for these months. This is an increase of 2 from the last update.

Customer Accidents

From July 2017 to Sept 2017 (inclusive) there have been a total 72 reported accidents to customers across all sites for March & April. These occurred at the Helix and FTH, with the majority taking place within Sports & Recreation activities and venues.

See Appendix 1 for breakdown.

4. Conclusion

- 4.1 There has been a slight increase in the reported accidents to staff during this period, while accidents involving customers has also had a slight increase of 3 during the same period. This has occurred during our busiest time of the year so is a welcomed statistic in light of the volume of people accessing of venues and services at this time. The Board will be pleased to note that all of these accidents have been dealt with effectively and efficiently by our on site and venue staff.
- 4.2 We will continue to regularly review our procedures and processes in relation to Health, Safety and Risk and appropriate staff receive the training required to keep our customers as safe as they can be. We remain vigilant at all times and strive to ensure our customers and visitors have a great time when they access our facilities and venues but their safety whilst doing so is absolutely paramount.



Paul Finnie
Sport & Recreation Manager

Health & Safety

Accident Monitoring Charts

