

PERFORMANCE & AUDIT SUB COMMITTEE



Date: 21 August 2017

Location: St Joseph's Leisure Centre

Start time: 6pm

AGENDA			
AGENDA ITEM	FOR NOTING	FOR DISCUSSION	FOR APPROVAL/ DECISION
1. Apologies for Absence	✓		
2. Declarations of Interest	✓		
3. Notes of Previous Meeting – 22 May 2017	✓		
4. Annual Report and Accounts 2016/17			✓
5. Performance Report April – June 2017			✓
6. Customer & Employee Satisfaction Surveys			✓
7. Staff Recognition Awards This is a restricted document and not for onward circulation			✓
8. AOCB			
9. Dates of Next Meetings: Trust AGM/Board: 5 September 2017 Performance & Audit Sub Committee: 13 November 2017			

For further information please contact: John Griffiths, Chief Executive
Email: John.griffiths@east-ayrshire.gov.uk Tel: 01563 554710

2016/17 ANNUAL REPORT AND ACCOUNTS

Date: 21 August 2017

Agenda Item: 4

Report By: John Griffiths, Chief Executive

Summary

This report represents the 2016/17 Report and Accounts for approval.

The report shows that the Trust established sound procedures for financial management and our external auditors, Scott-Moncrieff, are satisfied with accuracy of our accounts and the procedures that are in place to manage our finances.

1. BACKGROUND

- 1.1 The purpose of this report is to present the 2016/17 Report and Accounts for approval, prior to submission to the Annual General Meeting on 5th September 2017.

2 CONSIDERATIONS

- 2.1 East Ayrshire Leisure is required to submit its audited annual accounts to the Office of the Scottish Charity Regulator (OSCR). Scott-Moncrieff are our External Auditors and their audit has been produced following an intensive audit programme which required support and input from both Trust and East Ayrshire Council staff.
- 2.2 The 2016/17 Report and Accounts is attached as Appendix 1. The format of the Report and Accounts meets the requirements of the Charities Financial Reporting Standard (FRS) 102 Statement of Recommended Practice (SORP). The Annual Accounts will be submitted to OSCR once approved by the Trust Board. The report will also be published via the East Ayrshire Leisure website.
- 2.3 Scott Moncrieff's Audit Management Report for 2016/17 is attached as Appendix 2 with the Management Representation Letter, which will be signed by the Chair if the Report and Accounts are agreed by the Board, included on page 20.

3 IMPLICATIONS

- 3.1 The approval and publication of the 2016/17 Report and Accounts will satisfy the ongoing requirements of OSCR and the Charities FRS 102 SORP.

Recommendation/s:

It is recommended that the Sub-Committee:

- i. Approve the 2016/17 Report and Accounts;
- ii. Approve the Letter of Representation to accompany the accounts; and
- iii. Otherwise note the content of this report.

PERFORMANCE & AUDIT SUB COMMITTEE



Signature:

A handwritten signature in black ink, appearing to be "J. Allan".

Designation: Chief Executive

Date: 12 July 2017

East Ayrshire Leisure Trust
A Scottish Charitable Incorporated Organisation

Annual Report and Accounts
For the year ended 31st March 2017

Charity Number SC043987

East Ayrshire Leisure Trust

Contents

	Page
Message from the Board	I
Message from the Chief Executive	3
Trustees' Report	4
Independent Auditor's Report	21
Statement of Financial Activities	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Accounts	26

East Ayrshire Leisure Trust

Message from the Board

We are delighted to introduce the fourth Annual Report and Accounts for East Ayrshire Leisure Trust covering the financial year 2016/17. East Ayrshire Leisure has continued to show strong financial performance and has made excellent progress against the new Business Plan objectives.

As ever, we have held many exhibitions, events, workshops and activities across all our venues throughout the year. One highlight was the 'Picasso At Play' exhibition which we hosted at the Baird Institute in Cumnock. Picasso is regarded as one of the greatest artists of the 20th Century and the fascinating exhibition provided a glimpse into his personality as well as the processes behind creating many of his famous works. I AM HERE, a Crafts Council Touring Exhibition, came to the Dick Institute early 2017 and featured contemporary jewellery by the most significant European makers from the last 5 decades.

We celebrated 10 years of the River Ayr Way this year and a series of events marked the special anniversary, ranging from the 'Failford Dusk Walk' to 'Ayr Beach Tidal Teaser' culminating in the annual River Ayr Way Ultra-Marathon (41 miles). 2016 also saw the introduction of relay team entries to this unique and challenging event.

East Ayrshire Youth Theatre (EAYT) continued to excel, bringing a first-class production of 'Peter Pan' to the Palace Theatre stage and were extremely proud to be the first amateur group in Scotland to premier the smash-hit production 'Made In Dagenham.'

The Ayrshire Athletics Arena in Kilmarnock has continued to play host to some of the region's most prestigious sporting events, delivering 25 athletics-based events and, once again, provided the perfect setting for the Scottish Athletics West District Track and Field Championships. Working in partnership with the Kilmarnock Harriers and East Ayrshire Council, the Ayrshire Athletics Arena was home to the town's first "Roon the Toon" 10k road race attracting 1200 runners from across the country.

Our Imprint Book Festival returned in October with a sparkling array of Scotland's literary talent showcased in author talks, events and kids' activities. Author of much-loved international bestseller 'Chocolat', Joanne Harris kicked off the festival. Ajay Close and Lucy Ribchester entertained with their suffragette stories and Hugh McIlvanney shared tales of his remarkable career with Graham Speirs. Our annual event celebrating one of Burns's most famous works, 'Chiefly In the Scottish Dialect' brought celebrated writer, poet and musician Andrew Grieg from Orkney.

A highlight in the cultural calendar was the performance by ground-breaking rock band Primal Scream at Kilmarnock's Grand Hall. This year's pantomime, Beauty & The Beast attracted rave reviews and record figures at the Palace Theatre.

Throughout 2016-17 all our venues have either maintained or enhanced their VisitScotland star rating; we were thrilled that the Dick Institute was upgraded to a 4-star visitor attraction. The Palace Theatre was accredited for the first time and was also designated as a 4-star arts venue, enhancing our portfolio of quality attractions. Also in 2016, East Ayrshire Leisure became part of VisitScotland's 'I Know' programme, becoming the first Ayrshire organisation to sign up to the initiative which provides local information on a range of key topics. This new approach enhances and complements the many ways in which we provide information to visitors.

Councillor Reid stepped down as Chair of East Ayrshire Leisure on 18th May 2017. He would like to pass on his thanks to the Board of Trustees for their continued work and support and wishes the Trust, and his successor, all the best for the future. He would also like to thank East Ayrshire Leisure's

East Ayrshire Leisure Trust
Message from the Board

Senior Management Team and staff for their ongoing commitment to providing the best possible services for East Ayrshire residents and visitors.

Trustee, East Ayrshire Leisure Trust

East Ayrshire Leisure Trust

Message from the Chief Executive

Welcome to East Ayrshire Leisure's Annual Report and Accounts for 2016/17. This report summarises East Ayrshire Leisure's progress in its fourth year of operation. Significant progress has been made in developing East Ayrshire Leisure and ensuring that a strong partnership with East Ayrshire Council remains in place.

The results for 2016/17 show that once again East Ayrshire Leisure is operating well and achieving its targets. The effects of reducing budgets has meant that we continue to operate in a changing environment, with many of our facilities undergoing review, a change to opening hours or subject to community asset transfer (CAT), and as a result we have now lost a good number of long-serving staff. We have, however, despite this challenging financial climate met all our financial targets, and both income and attendances to our facilities have increased. We also secured just over £1.7 million in external funding for various projects, across all service areas.

We introduced a new Business Plan this year and whilst we continue to deliver the vision and values of the previous plan, we are focussing on 4 key strategic objectives for the 2016-19 period:

- To be recognised as a provider of high quality/valued services and facilities
- To enhance people's health and wellbeing through participation
- To enhance the tourism offer to East Ayrshire
- To be recognised as an employer of choice

We have already made great strides in meeting these objectives and will continue to drive forward new initiatives and developments which will continue to enhance the organisation and the services we provide for the people of East Ayrshire and beyond. A summary of our achievements to date are outlined within this report.

It is clear from our customers that they greatly value the services we provide and our staff continue to be a credit to the organisation. This has been highlighted through the introduction of our staff recognition award scheme. I would like to take this opportunity to thank them all for their ongoing dedication to East Ayrshire Leisure and the passion and enthusiasm they continue to show in the delivery of our services.

None of our achievements would be possible without the support of our partners, of whom there are many, and in particular our main funder, East Ayrshire Council (EAC). We will continue to work closely with them all to ensure the continued provision of new and innovative services, events, opportunities and high quality Leisure Services.

I would also like to thank our Board of Trustees for their continued support, commitment and dedication given to East Ayrshire Leisure throughout the year.



John Griffiths
Chief Executive

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017

The Trustees are pleased to present their Annual Report and Accounts for the year ended 31st March 2017. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

EAST AYRSHIRE LEISURE TRUST – THE ORGANISATION

East Ayrshire Leisure Trust is a Scottish Charitable Incorporated Organisation recognised by the Office of the Scottish Charity Regulator (OSCR), registration number SC043987. The organisation took responsibility for a wide range of cultural, countryside, sports and community facilities and services across East Ayrshire on 1st July 2013.

GOVERNING DOCUMENT

The East Ayrshire Leisure Trust Constitution was approved by the Board of Trustees on 13th March 2013.

East Ayrshire Leisure's initial Business Plan covered the period 2013-16, and during this period the Trust became established as an independent organisation. Our current Business Plan covers the period 2016-19 and will be subject to regular monitoring and review including the submission of an Annual Performance Report to East Ayrshire Council.

OUR PURPOSE

East Ayrshire Leisure Trust has the following purpose:

- To advance the arts, heritage, culture and science;
- To advance public participation in sport;
- To provide recreational facilities and organise recreational activities with such facilities/activities being made available to the whole community with the aim of improving quality of life;
- To advance education;
- To advance health;
- To advance citizenship and/or community development (which may include the promotion of civic responsibility, volunteering, the voluntary sector and/or and the efficiency and effectiveness of charities);
- To relieve those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
- To promote, establish, operate and/or support other similar schemes and projects which further charitable purposes;

OUR VISION

East Ayrshire Leisure's vision reflects the vision of the Community Planning Partnership i.e. to help East Ayrshire become:

“An area full of life, with a strong cultural, sporting and natural identity which reflects the unique character of the place and its people; an area where cultural, sporting and countryside activities play a central role in social, economic and urban/rural development; an area where new and creative initiatives across the cultural, sporting and countryside fields flourish, for the benefit of both residents and visitors.”

OUR MISSION

“To provide and support high quality, innovative, cultural, sports, countryside and community services for the benefit of East Ayrshire residents and visitors to the area, which meet the council's social, cultural, environmental and economic objectives.”

OUR VALUES

East Ayrshire Leisure's core values are based on being:

- Collaborative and Creative
- Innovative and Inspirational
- Proactive and Professional
- Open and Honest
- Passionate and Proud

The principles by which we operate and carry out our business are driven by a desire to do what is best for the community and in so doing:

- We will be driven by a commitment to deliver high quality services for the people of East Ayrshire
- Creativity and innovation will be at the heart of our thinking
- We will build partnerships and thrive on collaboration
- We will invest in the formation of a highly motivated, customer focused and skilled workforce
- We will promote equality, access and diversity across our programmes
- We will deliver safe services and manage finances efficiently and effectively

EAST AYRSHIRE LEISURE SERVICES

East Ayrshire Leisure is responsible for managing a range of facilities and services across a broad Culture, Countryside, Sport and Community Venues remit.

The range of facilities managed by East Ayrshire Leisure has been subject to change since July 2013 as the Council has undertaken a programme of Community Asset Transfer and Asset Rationalisation.

Brief Service Descriptions

- **Cultural Services**

This service manages Libraries, Museums and Heritage, Galleries, the Palace Theatre/Grand Hall Complex and Cumnock Town Hall. The service is responsible for museum collection management, arts and cultural development including visual and performing arts, reader development including Imprint Book Festival and local and family history services.

- **Countryside Services**

This service manages Dean Castle Country Park, the River Ayr Way and footpath networks across East Ayrshire. The service is responsible for Countryside Access, events, programme development at Dean Castle Country Park outdoor education and golf.

- **Sport & Community Venues**

This service manages Sports and Leisure Centres, Games Hall, Community Halls, Sports Pitches and the Ayrshire Athletics Arena. The service is responsible for programme development, community sports hubs, sports development and events encompassing athletics, swimming and fitness.

- **Marketing & Development**

This service manages all publicity and promotional activity, communications, public relations, branding, corporate identity, web development and digital communication and strategy, market research, customer feedback and complaints handling, sponsorship and fundraising.

- **People & Finance**

This service is responsible for administration, OSCR compliance, financial management/budget monitoring, Human Relations, Information Management, Health and Safety, Freedom of information, credit control, cash receipting and staff training and development.

- **Agreements with East Ayrshire Council**

A series of agreements underpin East Ayrshire Leisure's relationship with the Council. Services Agreements are in place to cover support services that the Council provides for East Ayrshire Leisure i.e. Health and Safety, Internal Audit, Payroll etc. A Services and Finance Agreement is in place to cover the services which the Council expects us to deliver, including the facilities for which East Ayrshire Leisure is responsible.

In addition, a Collections Agreement covers how the Council's museum collections will be managed by East Ayrshire Leisure and an Asset Transfer Agreement covers the ownership of assets required to support the delivery of services which are the responsibility of East Ayrshire Leisure.

Key venues and visitor attractions

We manage a huge range of facilities across East Ayrshire; our key venues and tourist attractions are highlighted below:

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017

Annanhill Golf Course

Situated on the outskirts of Kilmarnock in scenic surroundings, this parkland course, with tree lined fairways has a par of 71 measuring 5954 yards.

Ayrshire Athletics Arena

Designed and built to the highest standard, this premier athletics and sports training facility boasts a UK Athletics Class A outdoor athletics facility with Mondo surface and 6 lane 63m indoor training area with strength and conditioning area. It has been designed to meet the highest of training and competition requirements for a wide range of athletes, sports clubs, schools and community groups and our athletics event calendar has grown year on year.

Baird Institute (4 star visitor attraction)

First opened in 1891, the Baird Institute has world class collections of Mauchline Ware, Cumnock Pottery, artefacts of local and social history and contemporary exhibitions. The Keir Hardie Room presents the life and career of the founder of the Labour Party with an interactive audio-visual screen, a large collection of his personal belongings and souvenirs of his travels

Burns House Museum and Library (4 star visitor attraction)

The Burns House Museum and Library is in the centre of historic Mauchline, where stories of Robert Burns and his friends and family can be found in every nook and cranny. The Burns House Museum offers the chance to visit the room where Burns and his wife Jean Armour lived, see original Burns manuscripts and objects that tell the story of his life and work.

Dean Castle & Country Park (4 star visitor attraction)

Dean Castle Country Park is East Ayrshire's only Country Park and provides a great day out all year round with woodland walks, an urban farm, adventure playground, visitor centre with shop and tearoom and a fantastic 14th century castle housing world class collections. The Country Park also hosts a number of large scale events every year as well as a programme of outdoor learning activities. The Country Park received HLF funding with major redevelopment taking place to turn it into a 5 star visitor attraction. The Dean Castle was used as a film location for Season 2 of Outlander and now exists on VisitScotland's promotional material for tourists.

Dick Institute (4 star visitor attraction)

The Dick Institute is one of the most important cultural venues in the south-west of Scotland, featuring the largest museum, galleries and Library in Ayrshire with a range of arts and literary events throughout the year.

With a programme of nationally important exhibitions, events and innovative works by leading and contemporary artists, filmmakers and young people as well as permanent displays of the museum's diverse collections including natural sciences, archaeology and local and social history.

Sport and Leisure Centres: Auchinleck, Doon Valley, Grange, Loudoun, St Joseph's, Stewarton

Our Sport and Leisure Centres offer a wide range of activities and facilities for all the family including fitness suites with a wide range of equipment, FIFA *I synthetic grass pitches, swimming pools and a range of fitness classes and activities. Many of our venues also house a variety of versatile halls suitable for staging competitions and larger events as well as badminton, football, netball as well as seated events such as shows, presentations, conferences and events.

Palace Theatre & Grand Hall Complex (4 star arts venue)

Ayrshire's premier entertainment venue offers a wonderfully varied programme throughout the year including comedy, music, drama, dance, variety and much more.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017

River Ayr Way

The River Ayr Way is designated as one of Scotland's Great Trails and is included in the family of long to medium distance routes in Scotland. It is 44 miles from the source of the River Ayr in Glenbuck to the sea at Ayr. 22 miles of the route is managed by East Ayrshire Leisure, with the rest being managed by South Ayrshire Council.

Education & outreach

As well as our public events and activities, we also offer a large amount of outreach events for schools and educational establishments.

Highlights this year included our celebration of Burns's Birthday; the hugely popular annual workshops for primary schools took place during January with participating schools taking part in a dramatisation of 'Tam O'Shanter', dressing up in costumes from Burns's era and finding out more about objects in common use at that time, through handling sessions with museum curators.

The Imprint schools programme continues to thrive, giving pupils the opportunity to meet renowned authors and learn more about their work and the writing process. We welcomed 'Badger the Mystical Mutt' and Clydebuilt Puppet Theatre's 'The Gingerbread Man' for younger pupils as well as the wonderful Mairi Hedderwick, author of the acclaimed Katie Morag books (and CBeebies TV series). Danny Weston, author of supernatural thrillers and award-winning Ross MacKenzie entertained the more senior pupils.

The annual Pantomania Day gives primary children the opportunity to explore how panto is produced and to learn the traditions of panto, dress up, create slapstick routines and explore theatrical make-up.

As well as special events and activities, schools are invited to engage with us through a year-long programme such as 'Discover Stories' at the library, tours of our galleries and museums, and environmental education and outdoor learning.

Outdoor learning continues to be a focus for the Countryside Team who work with schools throughout East Ayrshire and welcome schools to the Country Park. Due to the development works at the Country Park in the last year, the Countryside Ranger Service has encouraged schools to work in their local greenspaces and developed a number of John Muir projects in local parks.

We also continue to host sports days at Ayrshire Athletics Arena and Stewarton Sports Centre, offering pupils the opportunity to experience sports in a fun, yet competitive, environment. Qualified coaches and staff provide a positive experience for all participants and those showing an interest and talent can develop their skills through our additional activities, many of which have direct links to professional clubs.

EAST AYRSHIRE LEISURE'S STRUCTURE

THE BOARD OF TRUSTEES

A Board of 13 Trustees is responsible for providing strategic direction for the organisation. The 13 Trustees comprise:

- 6 Independent Trustees – one of whom is a Trade Union nominee
- 5 Councillor Trustees, nominated by East Ayrshire Council
- 2 Council Officer Trustees nominated by East Ayrshire Council to act as Trustees, but without voting rights.

Trustees	Appointment date	Resignation date
Partner Trustees		
Douglas Reid (Chair until May 2017))	13 th March 2013	18 th May 2017
Neil McGhee	13 th March 2013 (reappointed 18 th May 2017)	
Iain Linton	25 th June 2015	18 th May 2017
Eoghann MacColl	25 th June 2015	4 th May 2017
Hugh Ross	27 th October 2015	4 th May 2017
Ian Grant	18 th May 2017	
Elena Whitman	18 th May 2017	
Jim Roberts	18 th May 2017	
Clare Maitland	18 th May 2017	
Chris McAleavey (ex officio)	27 th August 2015	
Joe McLachlan (ex officio)	27 th August 2015	
Independent Trustees		
Elizabeth Young (Vice Chair)	13 th June 2013 (Re-appointed 27 th August 2015)	
Jean Brown	13 th June 2013	
Robin Hume	13 th June 2013 (Re-appointed 27 th August 2015)	
June Minnery	13 th June 2013 (Re-appointed 27 th August 2015)	
Eddie Rutherford	13 th June 2013	17 th May 2016
Jackie Livingston	1 st July 2015	
Robbie Mann	7 th September 2016	

The Board meets regularly throughout the year and is supported by a Performance and Audit Sub-Committee made up of 5 Trustees. In addition, development sessions are also held to support Trustee training and to allow discussion to focus on key issues i.e. Business Planning and specific service areas.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017

Trustee training is available on an as required basis in addition to induction training for new Trustees. Development sessions to enhance Trustees knowledge of service areas are organised throughout the year.

MANAGEMENT ARRANGEMENTS

The Chief Executive and Senior Management Team are responsible for the day to day management of East Ayrshire Leisure's operations. A Scheme of Delegation is in place to allow responsibilities for key tasks to be allocated to appropriate staff. Staff salaries and terms of conditions of employment follow those of East Ayrshire Council and this is expected to continue.

Senior Management Team

John Griffiths (Chief Executive)
Adam Geary (Cultural Services Manager)
Chris Murphy (Sport and Community Venues Manager)
Anneke Freel (Countryside Services Manager)
Jackie Biggart (People & Finance Manager)
Dianne McGregor (Marketing and Development Manager)

ADMINISTRATIVE INFORMATION

Registered Office Dick Institute
14 Elmbank Avenue
Kilmarnock
KA1 3BU
www.eastayrshireleisure.com
01563 554300

Auditor Scott Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Solicitors East Ayrshire Council
London Road Headquarters
Kilmarnock
KA3 7BU

Bankers Royal Bank of Scotland
8 John Finnie Street
Kilmarnock
KA1 1DD

Charity Number SC043987

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017

FINANCIAL REVIEW

The period to 31st March 2017 was the Trust's fourth year of activity. In the period, East Ayrshire Leisure reported an unrestricted deficit of £615,889.

At 31st March 2017, the actuarial valuation of the pension scheme resulted in a net pension liability of £3,607,000 this being recognised in the Balance Sheet. The valuation has resulted in an actuarial loss of £2,548,000 being recognised in the Statement of Financial Activities in the period. The balance on the pension fund will change annually according to economic conditions and the trustees will keep the position under review.

RESERVES POLICY

The Board approved a revised Financial Reserves Policy in March 2016. The policy was amended from 5% of incoming resources (approx. £400k) to a range of 3-5% (approx. £215k – 400k) as the target for unrestricted funds not committed. This target has been achieved and the appropriate level of reserves is now in place.

FINANCIAL PROFILE UPDATE

East Ayrshire Leisure receives funding from East Ayrshire Council to support the delivery of an agreed range of services. Significant savings were generated from the transfer to Trust services and it is expected that further savings will be required during the term of our new Business Plan for 2016-19.

East Ayrshire Leisure also generates income from charges for services and has the ability to submit bids for funding from a wide range of external bodies. Trust staff will bid for funds to support and develop service quality and delivery wherever appropriate opportunities and resources are available.

The agreed baseline budget for 2017/18 is set out below:

	2017/18 £
Baseline Budget (excl Savings)	5,069,480
Balance of Savings Target	(241,000)
Baseline Budget	4,828,480
Savings Target (following Best Value Review)	(293,080)
Baseline Budget (after Savings)	4,535,400

RISK MANAGEMENT

The Board manages risk in a pro-active manner and priorities areas of concern. The Risk Register is reviewed regularly as part of the Trustees consideration of the quarterly performance report. Key risks in 2016/17 included: significant reduction in funding received from East Ayrshire Council, partners and external stakeholders not seeing East Ayrshire Leisure as a partner of choice, failure to deliver Business Plan targets and the loss of external funding, a lack of capital investment or maintenance, reduction in facilities and loss of income.

ASSETS AND RESOURCES

Properties

East Ayrshire Leisure has 25 year leases in place for each of its properties. These properties continue to be in the ownership of East Ayrshire Council and the Council remain responsible for repair and maintenance.

The stock of properties is currently under review and the Council's Asset Rationalisation and Community Asset Transfer programmes, alongside East Ayrshire Leisure's own service review and redesign proposals will see the number of properties managed by East Ayrshire Leisure reduce through 2016-19.

The Council has a major capital investment programme and there are projects being developed, particularly new school campuses that will see new community facilities built that may become the responsibility of East Ayrshire Leisure in due course.

Equipment

East Ayrshire Leisure has access to a wide range of specialist equipment and vehicles that support service delivery, including mobile libraries, grounds maintenance equipment, computers and sports equipment. Ownership of equipment did not transfer in July 2013 and rests with East Ayrshire Council. Inventories that clearly show ownership of equipment are now being kept as items purchased by East Ayrshire Leisure belong to East Ayrshire Leisure, not the Council.

Museum Collections

East Ayrshire Council owns significant museum collection assets which are held within its museums, libraries and archives and is responsible for the management and maintenance of any assets given on loan. East Ayrshire Leisure has been granted licence to use these assets through the Collections Agreement and will maintain and preserve them on behalf of the Council.

ACHIEVEMENT AND PERFORMANCE

Our new Business Plan covers the period of financial years 2016-2019 and the Board's priorities are highlighted in the Action Plan. Progress towards the targets set in the Action Plan is reviewed on a quarterly basis and fully reported annually.

Our Business Plan for 2016-19 outlines 4 key strategic objectives with specific actions to address them. Significant progress has been made in year one of the new Business Plan and details of how we have achieved our objectives to date, or initiatives we are currently developing, are outlined below:

I. TO BE RECOGNISED AS A PROVIDER OF HIGH QUALITY SERVICES AND FACILITIES THAT ARE WELL USED.

Actions to achieve this:

- I.1 Increase customer satisfaction
- I.2 Increase attendance levels/ticket sales through programme development both in person and online
- I.3 Achieve new quality standards and/or maintain current accreditation standards
- I.4 Maintain and sustain high level partnerships that support service delivery and improvements
- I.5 Introduce a system to audit, monitor and improve environmental efficiency across our core facilities

KEY POINTS:

Customer Satisfaction

- Customer Satisfaction surveys have been carried out across the full range of facilities and action plan will be drawn up to implement improvements from 2017 onwards

Attendances

- A wide range of exhibitions/events/activities delivered across all areas have helped to support a 4% increase in attendance during the year. Examples include 'Art of Collection'; 'Angels, Myths and Fables'; 'I Am Here'; and 'Beauty and the Beast' panto at the Palace, Imprint Book Festival across our libraries, and school holiday programme at the Country Park.

Online attendances

- Future Museum (www.futuremuseum.co.uk) visits have shown a 9% increase this year
- www.eastayrshireleisure.com visits have shown a 3% increase above the target for this year

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017

Twitter

	<u>2016/17</u>	<u>2015/16</u>	
Followers	2,478	1,863	33% increase
Impressions	836,100	428,000	95% increase

Facebook

	<u>2016/17</u>	<u>2015/16</u>	
Page Likes	20,317	12,841	58% increase

Accreditation

- All of our venues have either enhanced or maintained the venue star rating. The Palace Complex was accredited for the first time and was awarded 4 stars. The Dick Institute was awarded 4 stars (previously 3 stars)
- UKactive membership achieved and East Ayrshire Leisure is now an employer partner with the Chartered Institute for the Management of Sport and Physical Activity

Partnerships

- Ayrshire College now operating practical aspects of horticultural and arboriculture courses from Dean Castle Country Park
- Futuremuseum will be expanded to include Inverclyde Council
- Informal partnership in place with Scottish Rural College Conservation Society
- Working with ACDI to develop programme within Auchinleck Boswell Centre and surrounding communities
- Local Record Centre Partnership has been established with North and South Ayrshire Councils to develop an on-line biological record centre for the region
- New informal partnership has been established with the Scottish Rural College Conservation Society which involves them carrying out conservation tasks within the Country Park
- Working in partnership with sports club partners and local groups to develop sporting provision and opportunities within trust facilities: ACDI, Ayrshire Gymnastics, Ayrshire Sportsability, East Ayrshire Athletics Partnership, Grange Frame Football, Footsteps Dancing, Kilmarnock Harriers McCulloch ATA, Senjokai Karate Club, Stewarton Tennis Club, Stewarton Trampoline Club, Stewarton United, Ucan- Learn, Work, Live, Urban Gymnastics, Stewarton Academy and Stewarton Parents Association.
- Establishment of Landscape Partnership to develop a landscape scale heritage project in East Ayrshire. Partnership includes Community Action Planning steering group representatives,

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017

East Ayrshire Council, Scottish Natural Heritage, Central Scotland Green Network Trust, the Forestry Commission and other local and national stakeholders

- Continued partnership with South Lanarkshire Council and East Renfrewshire Council in the implementation of the Whitelee Access Action Plan
- Establishment of the Ayrshire Strategic Route Network Partnership to develop an Ayrshire wide path network
- Continued partnership with Culture Republic on Market Research and Audience Development initiatives
- Working with University West of Scotland to provide 'Children's University' with learning destinations

Environmental Efficiency

An audit has been carried out across core venues to determine current waste management arrangements and an action plan will be delivered in 2017/18 for implementation.

Energy costs will be reduced by utilising the following:

- (a) Audit – Ensure the accuracy of energy costs
- (b) Monitor – Examine energy use to detect and prevent waste
- (c) Improve – Increase the efficiency of energy use

2. TO ENHANCE PEOPLE'S HEALTH & WELLBEING THROUGH PARTICIPATION.

Actions to achieve this:

- 2.1 Increase general participation /attendance levels across service areas
- 2.2 Increase opportunities for/numbers of young people (12-25) using our services.
- 2.3 Maximise access to our facilities and programmes for people with physical, sensory or learning disabilities.
- 2.4 Increase opportunities for/numbers of older people (60+) using our services.

KEY POINTS:

Attendance

- Cultural visitors/attendance has increased by 3% during 2016/17
- Sport visitors/attendance has shown a 0.3% decrease on the target figure for 2016/17
- Countryside visitors/attendance has shown a 6% increase on the target figure for 2016/17

Opportunities for 12-25 year olds

- New programme focus aimed at engaging this age range through Make Some Noise, Gaelic Project, Youth Theatre and Ayrshire Youth Arts Network.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017

- Cumnock Youth Arts network workshops and events have helped to support a targeted programme of young people's theatre and performance. It has attracted 526 young people.
- Introduced 3D printing capability at the Dick Institute library.
- 115 volunteer days were carried out with young people between 12 – 25 working on conservation project at the Country Park. This included 9 young people from Willowbank School.
- 126 weekly sessions are on offer for those age 12 plus to participate in a wide range of sport and fitness activities. Sessions are delivered directly by East Ayrshire Leisure or in partnership with local sports clubs and organisations.
- Engaged with a wide range of national governing bodies of sport and SportScotland to further develop programme delivery and opportunities available within trust facilities to participate in recreational or structured sport and physical activity.

Programmes for people with physical, sensory or learning disabilities

- Working with Willowbank School to develop an outdoor learning area within Dean Castle Country Park which has been specifically adapted for mixed ability needs and will be used to support young people to achieve a John Muir Award. A funding application of £2K is being prepared.
- Introduction of Frame Football at Grange Leisure Centre in partnership with Vibrant Communities and Grange Frame Football Club.
- Development of the Mental Health Badminton Group in partnership with the New Farm Community Sports Hub and NHS Ayrshire & Arran.
- Work with Alzheimer's Scotland to develop a remote volunteering programme for people suffering from dementia.
- Carried out community consultation regarding new play facilities at Dean Castle Country Park in partnership with East Ayrshire Council's Access Design Officer and Jupiter Play DDA specialist.

Increase opportunities for/numbers of older people (60+) using our services.

- The Homeworks library service is working with 700 individuals and 5 care homes
- Working with History Group in Cumnock for regular programme of talks at The Baird Institute and also at Doon Valley Museum.
- Working extensively with groups across the Palace Theatre and Grand Hall and libraries, supporting 60+ programmes including Opportunities In Retirement groups, Chit Chat Clubs, IT workshops across library network
- Walking Football sessions at Muirkirk, Patna, Catrine and Muirkirk Games Halls

3. TO ENHANCE EAST AYRSHIRE'S TOURISM OFFER

Actions to achieve this:

- 3.1 Increase visitor attendance at our key tourist attractions
- 3.2 Work with local groups to add to the tourism offer

KEY POINTS:

Increase attendance at tourist attractions

- With funding from East Ayrshire Council, major upgrades to the East Ayrshire side of the River Ayr Way took place in 2016. This work will be completed with an overhaul of the signage and interpretation in 2017.
- Dean Castle programme of works currently being developed having raised over £2m from external sources.
- £125,000 was approved from the Scottish Rural Development Programme as contribution to the DCCP Green Network Strategy. This is part of a £5 million redevelopment project at the Country Park
- East Ayrshire Leisure is represented on the Kilmarnock Town Centre Stakeholder Group to develop a programme of improvements and activities that will contribute to the tourism offer in Kilmarnock.

Working with local groups

- Worked with Dalmellington Community Council, Irvine Valley Regeneration Partnership and Kilmaurs Community Council in the organisation of the Annick Valley, Irvine Valley and Dalmellington Walking Festivals which attracted over 1200 over the 3 weekends.
- The Dunaskin Heritage Trust has been supported through a programme of Countryside Ranger led walks from April to October.
- Cumnock History Group, Mauchline Burns Club, Doon Valley Community Council to add value to our heritage offer.
- Working with the Kilmarnock Action Plan Group to develop a programme of events towards the end of October.
- Work has started with Cumnock Town Centre Action Plan Group on a programme of development for Woodroad Park.
- East Ayrshire Leisure is supporting New Cumnock Action Plan group in the development of their new allotment and community garden project.
- Ongoing support given to Stewarton Woodlands Action Group and Stewarton Action Plan Steering Group in the development of the green network around Stewarton.

- Support given to Nethergate Community Farm in the development of their social enterprise to promote sustainable farming as an economic and tourism offer.
- Worked with the Irvine Valley Regeneration Partnership to carry out community consultation exercises to inform the Irvine Valley Trails Project.
- Working with the Culture & Heritage Attraction Group and the Tourism Industry Leader Group
- Worked with the East Ayrshire Tourism Advisory Group on the Tourism Action Plan

4. TO BE RECOGNISED AS AN EMPLOYER OF CHOICE

Actions to achieve this:

- 4.1 Increase staff satisfaction from 2016/17 baseline
- 4.2 Increase the number of volunteering, placement and apprenticeship opportunities
- 4.3 Advance staff through training and development

KEY POINTS:

Increase staff satisfaction from 2016/17 baseline

- Employee survey was carried out and will provide a baseline position for future performance. An Action Plan will also be drawn up for implementing improvements
- Staff Recognition Award was successfully launched; many nominations were received highlighting excellence by staff.
- Absence levels for the year is 8.45 which is above the acceptable 8 working days lost per employee. This is primarily due to long term absence.

Volunteering, placement and apprenticeship opportunities

- 102 placements from secondary and tertiary education were supported in 2016/17
- 499 volunteer days were recorded within the Country Park in 2016/17. This included 58 regular volunteers, as well as people attending one off volunteering events
- Youth Theatre maintains 3 volunteers.
- Textile Team at Dean Castle 10-16 volunteers.

Staff training & development

- The East Ayrshire General Employee Review (EAGER) process allows employees and their managers to work together to review performance, address any ongoing support and development needs required to allow an employee to work to their full potential. 91% of EAGER's were completed across the organisation.
- A Training & Development Officer was appointed
- Bespoke e-learning modules and training courses have been developed for the organisation.

FUTURE DEVELOPMENTS

In the remaining two years of our current Business Plan there will be several major projects that will impact on the Trust and the services we deliver.

- The Council's Best Value Review of Leisure Services will be implemented bringing a more commercial focus to the Trusts work and integration with the Kilmarnock Leisure Centre Trust which operates the Galleon Centre in Kilmarnock.
- New community and sports facilities will be available for public use at the William McIlvanney Campus in Kilmarnock and the Trust will manage usage outside school hours.
- Work at Dean Castle Country Park will be completed and new and improved facilities throughout the park will be managed by the Trust.
- The Library facilities at the Dick Institute will be updated and modernised along with the provision of a small coffee outlet for library and museum visitors.
- The Trust will continue to support the Councils Community Asset Transfer and Asset Rationalization Programmes which will further rationalize the range of facilities the Trust is responsible for managing and increase the number of facilities directly managed by Community groups across East Ayrshire.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions for the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- So far as the Trustee is aware, there is no relevant information of which the charity's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information, and to establish that the charity's auditor is aware of the information.

Trustees' Report

Approved by the Board on 5th September, 2017 and signed on its behalf by:

.....

Trustee

.....

John Griffiths
Chief Executive

East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2017

We have audited the financial statements of East Ayrshire Leisure Trust for the period ended 31st March 2017 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)'.

This report is made solely to the charity's Trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee (Scotland) Investment Act 2005 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Nick Bennett
Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:.....

East Ayrshire Leisure Trust
Statement of Financial Activities
For the year ended 31st March 2017

	Notes	Unrestricted Fund 2017	Restricted Funds 2017	2017	2016
		£	£	£	
Income from:					
Charitable activities	3	6,995,986	342,112	7,338,098	7,957,216
Investments	3	2,948	-	2,948	5,548
Total income		6,998,934	342,112	7,341,046	7,962,764
Expenditure on:					
Charitable activities	4	7,582,823	261,479	7,844,302	8,114,540
Other (net interest defined benefit pension scheme)	8	32,000	-	32,000	94,000
Total expenditure		7,614,823	261,479	7,908,302	8,208,540
Net income/(expenditure)		(615,889)	80,633	(535,256)	(245,776)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	8	(2,548,000)	-	(2,548,000)	2,333,000
Net movement in funds		(3,163,889)	80,633	(3,083,256)	2,087,224
Reconciliation of funds:					
Total funds brought forward		124,994	73,199	198,193	(1,889,031)
Total funds carried forward	16	(3,038,895)	153,832	(2,885,063)	198,193

The Statement of Financial Activities includes all gains and losses recognised in the year. None of the charity's activities were acquired or discontinued during the above period.

The notes on pages 26 to 41 form part of these financial statements.

East Ayrshire Leisure Trust
Balance Sheet
As at 31st March 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	103,082	70,197
Heritage assets	10	34,920	34,920
		138,002	105,117
Current assets			
Stocks and work in progress	11	12,161	8,391
Debtors	12	851,278	1,131,769
Cash at bank and in hand		852,069	1,806,595
		1,715,508	2,946,755
Liabilities			
Creditors: Amounts falling due within one year	13	(1,131,573)	(2,053,679)
Net current assets		583,935	893,076
Net assets excluding pension liability		721,937	998,193
Defined benefit pension scheme liability	8	(3,607,000)	(800,000)
Total net liabilities		(2,885,063)	198,193
The funds of the charity:			
Restricted income funds	16	153,833	73,199
Unrestricted funds (excluding pension reserve)	16	568,104	924,994
Pension reserve		(3,607,000)	(800,000)
Funds		(2,885,063)	198,193

The financial statements were approved and authorised for issue by the Board on

.....

Trustee

Chief Executive

The notes on pages 26 to 41 form part of these financial statements

East Ayrshire Leisure Trust
Statement of Cash Flow for the year ended 31st March 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	(893,079)	331,896
Cash flows from investing activities:			
Investment income		2,948	5,548
Purchase of property, plant and equipment		(64,395)	(71,387)
Net cash provided by/(used in) investing activities		(61,447)	(71,387)
Change in cash and cash equivalents in the reporting period		(954,526)	266,057
Cash at the beginning of the reporting period		1,806,595	1,540,538
Cash at the end of the reporting period		852,069	1,806,595

I. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) – (Charities SORP (FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

East Ayrshire Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Incoming resources

Income from leisure, cultural and related activity is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Revenue grants, including those from government, are recognised in the Statement of Financial Activities (SoFA) in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Such income is deferred when the charity has to fulfil conditions before becoming entitled to it.

Management fees and other incoming resources are recognised in the period to which they relate.

Investment income is recognised in the period in which it is receivable.

Expenditure recognition and allocation of expenditure

Expenditure is recognised when a liability is incurred.

Where possible, expenditure has been charged direct to charitable expenditure or governance cost. Where this is not possible the expenditure is allocated on the basis of time spent by staff on each activity.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs are provided by East Ayrshire Council and include HR, legal, finance. The bases on which support costs have been allocated are set out in note 6.

Tangible Fixed Assets and Depreciation

It is the policy of the charity to capitalise expenditure of a capital nature in excess of £5,000.

Assets donated to the charity are included in the Balance Sheet and Statement of Financial Activities at cost.

Depreciation is charged to write off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful lives as follows:

Furniture and equipment: 5 years

Heritage Assets

Heritage Assets includes tangible fixed assets which are of historic, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Heritage Assets are presented separately in the Balance Sheet from other Tangible Fixed Assets. Heritage Assets are reported at cost. Depreciation has not been provided on heritage assets due to these assets having indefinite long useful lives.

Lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Stock

Stocks are valued at the lower of cost and net realisable value in the ordinary course of activities.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Debtors

Trade debtors are amounts due from customers for services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.

Financial assets and financial liabilities

Financial instruments are recognised in the statements of financial activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from asset to expire, or when the charitable company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Pensions

East Ayrshire Leisure Trust operates a defined benefit scheme in respect of its employees. The assets of the scheme are held in external funds managed by professional investment managers.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs related to the defined benefit scheme are recognised in the Statement of Financial Activities.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised in the statement of financial activities when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

VAT

The charity is partially exempt from VAT. Irrecoverable VAT is charged to the Statement of Financial Activities as an expense.

Unrestricted funds

Surplus revenue funds held within unrestricted funds are carried forward to meet the cost of future activities mainly of a revenue nature.

Commitments for specific activities and needs in the future are dealt with by making allocations to designated funds.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the appropriate fund, together with a fair allocation of management support costs where this is considered appropriate.

Taxation

The charity has charitable status and is therefore exempt from taxation under Sections 466 to 493 Corporation Tax Act 2010 (CTA 2010).

Going concern

The financial statements have been prepared on the basis of accounting policies that are consistent with the treatment of the charity as a going concern. The current funding agreement with East Ayrshire Council covers up to the 31 March 2018. In the Trustee's opinion, the charity will be able to continue for the foreseeable future. East Ayrshire Leisure participates in a defined benefit retirement scheme, excluding the deficit on this scheme (£3,607,000), the charity reported unrestricted funds of £568,104.

2. Critical judgements and estimates

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

denominated in the currency which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

3. Income

Investment income

Investment income comprises bank interest. In 2017 bank interest received £2,948 (2016: £5,548).

Income from charitable activities is as follows:

	2017 Operating Fund	2017 Restricted Fund	2017 Total	31st March 2016
	£	£	£	£
Chief Executive & People & Finance	5,205,563	-	5,205,563	6,004,243
Marketing & Development	363	-	363	1,560
Cultural	511,406	-	511,406	507,893
Countryside services	159,441	-	159,441	219,128
Sport & Community Venues	1,119,213	-	1,119,213	1,155,262
Projects	-	342,112	342,112	69,130
Total income from provision of facilities and services	6,995,986	342,112	7,338,098	7,957,216

A management service fee of £5,202,840 was received from East Ayrshire Council for the year (2016: £6,001,260).

Income on charitable activities was £7,338,098 (2016: £7,957,216) of which £6,995,986 was unrestricted (2016: £7,888,086) and £342,112 (2016: £69,130) was restricted. All other income was unrestricted.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

4. Charitable expenditure

	Chief Executive & People & Finance	Marketing & Development	Cultural	Countryside Services	Sport & Community Venues	Projects	Total	2016
	£	£	£		£	£	£	£
Employee costs	874,601	247,805	1,880,369	690,744	1,897,646	26,414	5,617,579	5,660,649
Property costs	15,263	-	227,658	77,427	396,554	120	717,022	893,143
Supplies and Services	59,333	102,751	540,718	124,292	181,373	229,455	1,237,922	1,278,104
Transport Costs	2,821	-	13,428	23,601	461	5,490	45,801	51,407
Support Services	212,400	-	-	-	-	-	212,400	212,400
Governance	13,578	-	-	-	-	-	13,578	18,837
Total	1,177,996	350,556	2,662,173	916,064	2,476,034	261,479	7,844,302	8,114,540

Expenditure on charitable activities was £7,844,302 (2016: £8,114,540) of which £7,582,823 was unrestricted (2016: £8,040,200) and £261,479 (2016: £74,340) was restricted.

5. Analysis of governance and support costs

	General Support	Governance	2017 £	2016 £
Health and Safety	4,400	-	4,400	4,400
Internal Audit	-	4,000	4,000	4,000
Human Resources	65,000	-	65,000	65,000
Corporate Infrastructure	40,000	-	40,000	40,000
Finance	54,000	-	54,000	54,000
Legal and Procurement Services	10,000	35,000	45,000	45,000
Audit fees		11,000	11,000	10,815
Consultants fees	1,128		1,128	3,892
Accountancy fees	1,450		1,450	4,130
	175,978	50,000	225,978	231,237

East Ayrshire Leisure receives support services from East Ayrshire Council. The total cost of support services provided by the Council in 2017 was £212,400 (2016 £212,400). The governance element of the support costs provided by the Council are calculated based on time spent throughout the year on governance activities.

The costs associated with trustee indemnity insurance are met by East Ayrshire Council.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

6. Staff Costs and Numbers

	2017	2016
	£	£
Wages and salaries	4,133,123	4,148,289
Social security costs	313,387	240,658
Other pension costs	874,903	957,334
Other staff costs	296,166	314,368
	5,617,579	5,660,649

9 members of staff were made redundant during the year and received lump sum payments totalling £145,329. The cost of these redundancies is fully funded by East Ayrshire Council.

Employees receiving salaries, including benefits in kind, of more than £60,000 were as follows:

	2017	2016
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-

The senior management team comprises six staff members (2016: 5 staff members). The total employee benefits (including employers contributions) of the senior management team were £364,174 (2016: 315,349)

The average number of employees during the period was made up as follows:

	2017 Number	2016 Number
East Ayrshire Leisure Trust		
Full-time (permanent)	116	112
Part-time (permanent)	112	125
	228	237

During the year trustees received no remuneration (2016: nil). Trustee expenses totalled £95 (2016: 139). No trustees received payment for professional or other services supplied to the charity (2016: nil).

7. Operating Surplus

	2017 £	2016 £
The operating surplus is stated after charging/(crediting)		
Auditors' remuneration (including expenses) for audit	11,000	10,815
for other services	750	3,350
Operating lease rentals	10,941	8,815

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

8. Pension Costs

East Ayrshire Leisure Trust is an admitted body of the Strathclyde Pension Fund. The Superannuation Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31st March 2014 and following this valuation employer's contributions increased to 19.3% for the years ended 31st March 2015, 2016, 2017 and 2018 respectively.

As sponsoring authority, East Ayrshire Council has guaranteed to accept liability for any unfunded costs which may arise with regard to the Trust relating to their membership in the Strathclyde Pension Fund, should they cease to exist.

The movement in the defined benefit obligation over the year is as follows:

	31st March 2017	31st March 2016
	£'000	£'000
Opening defined benefit obligation	16,195	17,188
Current service cost	862	956
Past service cost (including curtailments)	58	-
Interest cost on defined benefit obligation	597	581
Contributions by members	200	184
Actuarial losses/(gains)	5,624	(2,436)
Benefits paid	(290)	(278)
Unfunded benefits paid	(4)	-
	<hr/>	<hr/>
Closing defined benefit obligation	23,242	16,195
	<hr/>	<hr/>

The movement in the fair value of plan assets in the year is as follows:

	31st March 2017	31st March 2016
	£'000	£'000
Opening fair value of plan assets	15,395	14,506
Interest income on plan assets	565	487
Contributions by members	200	184
Contributions by the employer	689	599
Contributions in respect of unfunded benefits	4	-
Actuarial loss/gain	3,076	(103)
Benefits paid	(290)	(278)
Unfunded benefits paid	(4)	-
	<hr/>	<hr/>
Closing fair value of plan assets	19,635	15,395
	<hr/>	<hr/>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

Amounts recognised in net income/expenditure (per SOFA):

	31st March 2017	31st March 2016
	£'000	£'000
Current service cost	(862)	(956)
Past service cost (including curtailments)	(58)	-
Total service cost	(920)	(956)
Net interest		
Interest income on plan assets	565	487
Interest cost on defined benefit obligation	(597)	(581)
Total net interest	(32)	(94)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(952)	(1,050)

The major categories of plan assets as a % of the total plan assets are as follows:

	31st March 2017	31st March 2016
	%	%
Equities	73	72
Bonds	12	16
Property	10	12
Cash	5	0

The estimated employer contributions for the year to 31 March 2018 are £653,000.

The principal actuarial assumptions used in the calculations are:

	31st March 2017	31st March 2016
	% per annum	% per annum
Pension Increase Rate	2.4	2.2
Salary Increase Rate	4.4	4.2
Discount Rate	2.7	3.6

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

9. Fixed Assets

	Furniture & Equipment	Total
	£	£
Cost		
As at 1 st April 2016	93,187	93,187
Additions	64,395	64,395
	<hr/>	<hr/>
As at 31 st March 2017	157,582	157,582
	<hr/>	<hr/>
Depreciation		
As at 1 st April 2016	22,990	22,990
Charge	31,510	31,510
	<hr/>	<hr/>
As at 31 st March 2017	54,500	54,500
	<hr/>	<hr/>
Net book value		
As at 31 st March 2016	70,197	70,197
As at 31 st March 2017	103,082	103,082
	<hr/>	<hr/>

10. Heritage Assets

In 2014/15, the Trust procured a silver gilt sculpture of Lord Eglinton. This asset was fully funded by external providers.

	Heritage Assets	Total
	£	£
Cost		
As at 1 st April 2016	34,920	34,920
Additions	-	-
	<hr/>	<hr/>
As at 31 st March 2017	34,920	34,920
	<hr/>	<hr/>
Net book value		
As at 31 st March 2016	34,920	34,920
As at 31 st March 2017	34,920	34,920
	<hr/>	<hr/>

11. Stock

	2017	2016
	£	£
Goods for re-sale	12,161	8,391
	<hr/>	<hr/>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

12. Debtors

	2017	2016
	£	£
Amounts due from East Ayrshire Council	737,879	987,675
Trade debtors	53,300	70,437
Other debtors and prepayments	60,099	73,657
	<u>851,278</u>	<u>1,131,769</u>

13. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Amounts owed to East Ayrshire Council	149,804	380,231
Trade creditors	97,992	223,665
Accruals and deferred income	525,430	1,026,840
Taxation and social security	358,347	422,943
	<u>1,131,573</u>	<u>2,053,679</u>

14. Deferred income

Deferred income comprises advanced ticket sales.

	2017	2016
	£	£
Balance as at 1 st April 2016	65,480	37,506
Amounts released to income during 2016/17	(65,480)	(37,506)
Amounts deferred in year	91,460	65,480
	<u>91,460</u>	<u>65,480</u>

15. Financial assets and liabilities

	2017	2016
	£	£
Financial assets at amortised cost	1,649,654	2,866,428
Financial liabilities at amortised cost	(681,766)	(1,565,256)
	<u>967,888</u>	<u>1,301,172</u>

Financial assets comprise amounts due from East Ayrshire Council, trade debtors, other debtors and cash and bank balances.

Financial liabilities comprise amounts due from East Ayrshire Council, trade creditors and accruals.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

16. Reserves

Funds	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Balance at 31 st March 2017				
Represented by:				
Fixed assets	138,002	-	138,002	105,117
Net current assets	430,103	153,832	583,935	893,076
Retirement benefit scheme deficit	(3,607,000)	-	(3,607,000)	(800,000)
	<u>(3,038,895)</u>	<u>153,832</u>	<u>(2,885,063)</u>	<u>198,193</u>

Unrestricted Fund	Opening Balance at 1st April 2016 £	Incoming £	Outgoing £	Transfers £	Actuarial Loss £	Closing Balance at 31st March 2017 £
Unrestricted fund	825,844	6,998,934	(7,097,933)	(444,320)	-	282,525
Designated funds	99,150		(257,890)	444,320	-	285,580
Pension reserve	(800,000)		(259,000)		(2,548,000)	(3,607,000)
	<u>124,994</u>	<u>6,998,634</u>	<u>(7,614,823)</u>	<u>-</u>	<u>(2,548,000)</u>	<u>(3,038,895)</u>

Designated funds were established for the following:

	2016 £	Incomin g £	Outgoin g £	Transfer £	2017 £
Security measures at Annanhill	15,000	-	(15,000)		-
Libraries SIRS upgrade	15,000	-	(15,000)		-
Housebound van fit out and design/promotion	5,000	-	(5,000)		-
Mauchline Library Wi-fi install	4,650	-	(4,650)		-
Fortress security alarm installations	4,500	-	(4,500)		-
Pole vault equipment	20,000	-	-	(20,000)	-
Floor machine for Palace Theatre	5,000	-	(5,000)		-
Depreciation (to fund depreciation on fixed assets)	30,000	63,820	(19,240)		74,580
Fixed assets	-	48,000	(4,360)		43,640
People & Finance Administration Resources	-	20,000	(19,270)		730
Marketing & Development Staff	-	101,000	(58,370)		42,630
Libraries Fit Out	-	90,000	-		90,000
Homewards Van Balance	-	2,500	-		2,500
Sport and CV Staffing	-	99,000	(87,500)		11,500
Annanhill Golf Course	-	20,000	-		20,000
Fireworks Display		-	(20,000)	20,000	-
Total designated funds	99,150	444,320	(257,890)	-	285,580

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

Restricted Funds	Opening Balance £	2017 Incoming Resources £	2017 Resources Expended £	2017 Transfers £	2017 Closing Balance £
Unsigned Unlimited	(1,639)	1,639	-	-	-
Creative place	24,571	-	-	-	24,571
Ayrshire Libraries forum	4,506	-	(80)	-	4,426
Scotland Creates (Legacy of Lace)	15,325	-	-	(15,325)	-
Wifi	11,500	-	-	-	11,500
Textile team	677	237	(143)	-	771
Still Future I I	4,307	2,500	(6,807)	-	-
Countryside Festival	1,549	-	-	(1,549)	-
Burns Birthday in Mauchline	-	8,000	(8,000)	-	-
The McKie Collection	10,175	-	(7,328)	-	2,847
Read Write Count	2,228	-	(2,228)	-	-
Irvine Valley Trails	-	79,027	(19,413)	-	59,614
Make Some Noise	-	19,409	(1,880)	-	17,529
Dean Castle Countryside Park – Development Project	-	200,000	(200,000)	-	-
GLAIF	-	3,300	(302)	-	2,998
I AM HERE	-	11,000	(15,298)	15,325	11,027
Kilmarnock Green Infrastructure	-	15,000	-	-	15,000
River Ayr Way	-	-	-	1,549	1,549
Wild About the Farm	-	2,000	-	-	2,000
Totals	73,199	342,112	(261,479)	-	153,832

Unsigned Unlimited is project funded by Creative Scotland to help young people to network and perform and learn about the music industry. The young people in the project often feature in our event programme.

Creative Place is funded from Creative Scotland to bring high quality events and exhibitions to Kilmarnock, supporting regeneration and tourism.

Ayrshire Libraries Forum is a network partnership of the three Ayrshire councils, Ayrshire NHS, school, prison and higher education libraries to be used towards the upkeep of Ayrshire Working Lives website.

Scotland Creates (Legacy of Lace) is funding received from National Museums Scotland on behalf of the Esmee Fairbairn Foundation, to engage young people in museums through development of exhibitions and associated events.

The WiFi project is funded by the Scottish Library and Information Council. Additional funding was awarded in the year to complete the library Wifi rollout across our part-time libraries not covered by Phase I of the project, including Newmilns, Bellfield and Drongan.

Textile team is a team of volunteers that were originally funded by HLF to carry out restoration and repair of textiles. The remaining funding supports the group to continue with its work.

Still Future I I is a new exhibition featuring the work of nine Scottish artists. It has received funding from Creative Scotland and resulted in a major new exhibition at the Dick Institute during 2016.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

Following the completion of the Countryside Festival in 2015, there was an outstanding balance of £1,549 from the Awards for All grant. Awards for All have agreed that this money can be retained and used as part of the funding package for the upgraded River Ayr Way Signage and Interpretation project. This is scheduled for completion in 2017/18.

The Burns Birthday in Mauchline was funded by Eventscotland to provide a celebration of Burns in our Burns House Museum and Library in Mauchline. The event enabled us to present workshops, events and educational activities for schools.

The McKie Collection funded by Museum Galleries Scotland is to support the digitisation of the McKie collection. A new post will be appointed for 18 months to deliver the project.

Read Write Count is a Scotland wide initiative to improve literacy and numeracy skills for young people.

Funding was received from the Renewable Energy Fund to appoint a project officer to implement the Irvine Valley Trails Project over a 3 year period.

Make Some Noise is a music project funded by Creative Scotland and aimed at young people in a foster, looked-after, kinship or young caring environment and designed to help build self-esteem and provide a range of creative learning opportunities.

DCCP Development Project received funding from the Renewable Energy Fund. This will be drawn down annually for 3 years. This funding is specifically targeted at the biodiversity, paths, volunteering and activities aspects of the project.

Gaidhlig Gailearaidhean at the Dick Institute is a new set of visual art workshops led in Gaelic, and funded by Bòrd Na Gaidhlig

I AM HERE is a major retrospective exhibition of European studio jewellery from the Crafts Council in London. The Dick Institute is the only Scottish venue to host the exhibition, and it is funded by Creative Scotland. The significant engagement programme with 600 Primary 7 pupils, is developed and delivered in partnership with the National Museum of Scotland.

Kilmarnock Green Infrastructure Project has received a funding package of £50,000 to design and development stage of the 18 mile cycle route in and around Kilmarnock. A project officer is being recruited for 1 year to take this forward. The initial £15,000 has been received from East Ayrshire Council's Parks Development Fund with the outstanding being confirmed from the Central Scotland Green Network Fund.

As part of a public vote, Wild About the Farm has received £2,000 from the Tesco Bags of Help. This grant will be used to introduce hedges, lades and reed beds into the Urban Farm at Dean Castle Country Park. This work will be carried out with volunteers and students from Ayrshire College.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	(535,256)	(245,776)
Adjustments for:		
Interest received	(2,948)	(5,548)
Depreciation	31,510	18,630
Net cost in respect of pensions	259,000	451,000
(Increase)/decrease in stock	(3,770)	(344)
(Increase)/decrease in debtors	280,491	22,936
Increase/(decrease) in creditors	(922,106)	90,998
Net cash provided by (used in) operating activities	893,079	331,896
Analysis of cash and cash equivalents		
	2017	2016
	£	£
Cash in hand	852,069	1,806,595
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	852,069	1,806,595

18. Operating lease commitments

At 31st March 2017, the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	2017		2016
	Land and buildings	Other	Land and buildings
	£	£	£
			Other
			£
Within one year	2,000	8,370	-
Within two to five years	1,000	1,125	-
	<u>3,000</u>	<u>9,495</u>	<u>-</u>
	<u>3,000</u>	<u>9,495</u>	<u>19,437</u>

19. Related parties

East Ayrshire Council made a contribution in line with the Services Agreement of £5,202,840 (2016: £6,001,620). Facilities were leased to East Ayrshire Leisure for a peppercorn rent. East Ayrshire Council also provided various support functions including Legal, Finance and IT for which the charity was charged £212,400 (2016: £212,400).

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

The relevant transactions and balances with East Ayrshire Council were:

2016/17				2015/16			
Income from EAC	Payments to EAC	Due from	Due to	Income from EAC	Payments to EAC	Due from	Due to
£	£	£	£	£	£	£	£
5,556,784	812,933	737,879	149,804	6,508,547	790,266	987,675	380,231
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20. Contingent Liabilities

There is one employer liability case ongoing and no public liability cases outstanding. (2016: two public liability cases).

Employer and public liability cases are handled via East Ayrshire Council's insurer (Zurich). If it is determined that the Trust is liable, it will need to pay the first £500 and the remainder will be covered by the insurer. Until the Assessor has completed its work, the Trust accepts no liability for these claims.

21. Post Balance Sheet Event

None

22. Non-Audit Services

In common with many other charities of a similar size, the charity's auditor assists with the preparation of the financial statements. This service is commissioned by East Ayrshire Council.



East Ayrshire Leisure

Audit management report for the year ended 31
March 2017

August 2017

Contents

Introduction.....	1
Financial statements	3
Appendix 1: Respective responsibilities of the Board and the Auditor.....	8
Appendix 2: Audit adjustments	10
Appendix 3: Review of financial performance	11
Appendix 4: Management representation letter.....	13



Introduction

Introduction

1. In recognising the importance of effective two-way communication in an audit of financial statements, we have prepared this report to provide you with constructive observations arising from the audit process.
2. International Standards on Auditing (UK and Ireland) 260, "Communication with those charged with governance" and 265 "Communicating deficiencies in internal control to those charged with governance" require Scott-Moncrieff to report to those charged with governance the significant findings from our audit.
3. This report aims to provide trustees with constructive observations arising from the audit process. We set out in this report details of:
 - any expected modifications to our audit reports;
 - any unadjusted items in the financial statements (except any unadjusted items which are clearly trivial) including the effect of unadjusted items related to prior periods on the current period;
 - any material weaknesses in systems we have identified during the course of our audit work and our views about the quality of accounting practices and financial reporting procedures; and
 - any other relevant matters.
4. Our procedures are carried out solely for the purpose of our audit so that we can form and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Our audit does not necessarily disclose every weakness and for this reason the matters referred to may not be the only shortcomings which exist. Communication in this report of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.
5. We take this opportunity to remind you that:
 - This report has been prepared for the sole use of the Board of East Ayrshire Leisure (the Trust);
 - It must not be disclosed to any third party without our written consent; and
 - No responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes.
6. The report has been discussed and agreed with John Griffiths (Chief Executive), Jackie Biggart (People and Finance Manager) and Lorraine Russell (Senior Accountant).
7. We would like to thank the John, Jackie, Lorraine and the rest of the staff for their kind co-operation and assistance during our audit.



Financial statements

Financial statements

Audit conclusion

8. In our opinion the financial statements give a true and fair view and comply with the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities and Trustee Investment (Scotland) Act 2005 and all relevant accounting standards.
9. We are pleased to report that our audit report, which is included in the financial statements, is unqualified. In our opinion, from information provided to us during the audit, no events or conditions appear to exist which cast doubt on the Trust's ability to continue as a going concern. We are therefore satisfied with the disclosure in the financial statements.
10. Our audit opinion is based on your approval of the financial statements and signing of the letter of representation, a draft of which is included as an appendix to this report. Within the letter, you

confirm that there are no subsequent events that require amendment to the financial statements.

Our assessment of risks of material misstatement

11. The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described in Exhibit 1 below.

Exhibit 1: Our assessment of risks of material misstatement and how the scope of our audit responded to those risks

1. Revenue recognition

Under International Standard on Auditing (UK & Ireland) 240, "*The auditor's responsibilities relating to fraud in an audit of financial statements*" there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the Trust could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported revenue position.

Noted in 2016/17 External Audit Plan



12. We have evaluated each material revenue stream, considered the Trust's revenue recognition policy and carried out testing to ensure this is appropriate and has been applied.

Conclusion: We have gained satisfactory assurance in respect of the completeness and occurrence of revenue transactions in the year.

2. Management override

In any organisation, there is a risk that management and trustees have the ability to process transactions or make adjustments to the financial records outside of the normal financial control processes. Such transactions could lead to a material misstatement in the financial statements. We treat this as a presumed risk area in accordance with International Standard on Auditing (UK & Ireland) 240, "*The auditor's responsibilities relating to fraud in an audit of financial statements*".

Noted in 2016/17 External Audit Plan

Exhibit 1: Our assessment of risks of material misstatement and how the scope of our audit responded to those risks



13. We have reviewed the accounting records, including journals, and did not identify any significant transactions outside the normal financial control processes. We did not identify any evidence of management override.

Conclusion: Satisfactory assurance has been gained in respect of the mitigation of this risk.

Our application of materiality

14. The assessment of what is material is a matter of professional judgement and involves considering both the amount and the nature of the misstatement. This means that different materiality levels will be applied to different elements of the financial statements.
15. Our initial assessment of materiality for the annual accounts was £75,000. We revised our assessment, following review of the draft annual accounts, to £90,000 and it remained at this level throughout our audit. Our assessment of materiality is set with reference to a range of benchmarks (including incoming resources and any surplus/deficit on provision of services). We consider these to be the principal considerations for the users of the financial statements when assessing the performance of East Ayrshire Leisure.
16. We set a performance materiality for each area of work based on a risk assessment for the area and percentage application of overall materiality. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means we are performing a greater level of testing on the areas deemed to be of significant risk of material misstatement. Performance testing thresholds used are set out in the table below:

Area risk assessment	Performance Materiality
High	£45,000
Medium	£54,000
Low	£67,500

17. We noted within our External Audit Plan that we would report all audit differences in excess of 5% of the overall materiality figure, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Audit differences

18. We identified two audit adjustments; the details of which are disclosed in appendix 2.
19. We did not identify any unadjusted items.

An overview of the scope of our audit

20. The scope of our audit was detailed in our External Audit Plan. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Trust. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.

21. At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.
22. Our standard audit approach is based on performing substantive testing and detailed analytical review. Tailored audit procedures, including those designed to address significant risks, were completed by the audit fieldwork team and the results were reviewed by the audit manager and audit partner. In performing our work we have applied the concept of materiality, which is explained earlier in this report.

Accounting systems and internal controls

23. During the course of our audit of the financial statements, we examined the principal internal controls which trustees have established to enable them to ensure, as far as possible, the accuracy and reliability of the Trust's accounting records and to safeguard its assets.
24. It should be noted that our audit was planned and performed in order to allow us to provide an opinion on the financial statements and it should not be relied upon to reveal all errors and weaknesses that may exist.
25. We are pleased to report that our work did not identify any system weaknesses.

Fraud and irregularity

26. Responsibility for preventing and detecting fraud and other irregularities lies with the trustees. We are not required to search specifically for such matters and our audit should not be relied upon to disclose them. However, we planned and conducted our audit so as to give a reasonable expectation of detecting any material misstatements in the financial statements resulting from improprieties or breach of regulations.
27. We are pleased to report that we did not identify any issues of concern in relation to fraud and irregularity.

Legality

28. We planned and performed our audit recognising that non-compliance with statute or regulations may materially affect the financial statements.

29. We are pleased to report that we did not identify any instances of concern with regard to the legality of transactions or events.

Going concern and subsequent events

30. We are required under International Standard on Auditing (UK and Ireland) 570, "Going Concern" to consider the appropriateness of the trustees' use of the going concern assumption in the preparation of the financial statements, and to consider whether there are material uncertainties about the Trust's ability to continue as a going concern which needs to be disclosed in the financial statements.
31. The term "subsequent events" is used to refer to events occurring between the year-end date of the financial statements and the date of the auditor's report. International Standard on Auditing (UK and Ireland) 560, "Subsequent events" requires us to assess all such matters before signing our audit report.
32. In order to gain assurance on these matters our work has included (where applicable):
 - reviewing bank facilities;
 - a review of budgets covering a period of 12 months from the expected signing of the audit report, together with post year end management accounts;
 - a review of minutes of post balance sheet Board meetings;
 - enquiring of senior management and the Trust's solicitors concerning litigation, claims and assessments; and
 - performing sample testing of post balance sheet transactions.
33. We confirm that there are no issues affecting the Trust's ability to continue as a going concern. As highlighted in the financial statements, the current funding agreement with East Ayrshire Council covers up to 31 March 2018. In the Board's opinion, the Trust will be able to continue for the foreseeable future.
34. No subsequent events were identified requiring amendment to or disclosure in the financial statements.

Other matters identified during our audit

35. We have no other matters to report.

Qualitative aspects of accounting practices and financial reporting

36. During the course of our audit, we consider the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements. The following observations have been made:

Qualitative aspect considered	Audit conclusion
The appropriateness of the accounting policies used.	We have reviewed the significant accounting policies, which are disclosed in the financial statements, and consider these to be appropriate to the Trust.
The timing of the transactions and the period in which they are recorded.	We did not identify any significant transactions where we had concerns over the timing or the period in which they were recognised.
The appropriateness of the accounting estimates and judgements used.	We are satisfied with the appropriateness of accounting estimates and judgements used in the preparation of the financial statements. The valuation of the defined benefit pension liability is provided by the Trust's actuary, Hymans Robertson.
The potential effect on the financial statements of any uncertainties, including significant risks and disclosures such as pending litigation that are required to be disclosed in the financial statements.	There are no uncertainties including any significant risk or required disclosures that should be included in the financial statements.
The extent to which the financial statements have been affected by unusual transactions during the period and the extent that these transactions are separately disclosed in the financial statements.	From our testing performed, we identified no unusual transactions in the period.
Apparent misstatements in the trustees' report or material inconsistencies with the financial statements.	There are no misstatement or material inconsistencies between the trustees' report and the financial statements.
Any significant financial statement disclosures to bring to your attention.	There is no significant financial statement disclosures that we consider should be brought to your attention. All disclosures made are required by relevant legislation.
Disagreement over any accounting treatment or financial statement disclosure.	There was no disagreement during the course of the audit over any accounting treatment or disclosure.
Difficulties encountered in the audit.	There were no difficulties encountered in the audit.



Appendices

Appendix 1: Respective responsibilities of the Board and the Auditor

Responsibilities of the Board

Under legislation relating to charities in Scotland, the trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of its incoming resources and application of resources, including its surplus or deficit for that year, and which have been properly prepared from and are in agreement with the accounting records of the Trust and comply with relevant disclosure requirements.

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the Trust's financial position and enable them to ensure that the financial statements comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees also have general responsibility for taking such steps as are reasonably open to them to safeguard the Trust's assets and to prevent and detect fraud and other irregularities.

Responsibilities of the auditor

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

The audit includes the consideration of internal controls relevant to the preparation of the financial statements but we do not express an opinion on the effectiveness of internal control. We are also required to communicate any significant matters arising from the audit of the financial statements that are relevant to those charged with governance in overseeing the financial reporting process.

The matters being reported are limited to those deficiencies in control that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported to those charged with governance.

International Standards on Auditing (UK and Ireland) do not require the auditor to design procedures for the purpose of identifying supplementary matters to communicate with those charged with governance.

Confirmation of independence

International Standard on Auditing (UK and Ireland) 260, "Communication with those charged with governance" requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

In addition to the audit of the financial statements, Scott-Moncrieff has provided tax and VAT services to the Trust. All tax services are provided by independent partners and staff who have no involvement in the audit of the financial statements.

During 2016/17 we facilitated two sessions on risk management with East Ayrshire Leisure's Senior Management Team (SMT) and Board. These sessions were delivered by staff who have no involvement in the audit of the financial statements.

We are commissioned by East Ayrshire Council to prepare the Trust's financial statements in accordance with legislation and Charity SORP requirements. We prepare the financial statements from the final trial balance provided by East Ayrshire Leisure. No significant disclosures, adjustments or estimates are decided by Scott-Moncrieff.

We can confirm that we have complied with ethical standards. In our professional judgement the audit process is independent and our objectivity is not compromised.

An employee of Scott-Moncrieff, Elizabeth Young, is vice chair of the Board and serves on the Performance & Audit Sub Committee. In accordance with ethical standards, in our professional judgement the audit process is independent and our objectivity is not compromised, assuming the following safeguards are in place:

- She does not accept any invitation to chair the Performance & Audit Sub Committee
- She is absent from any committee meetings at which the performance or remuneration of the auditor is discussed; and
- She takes no part in any meetings with us and the directors to discuss the planning or results of the audit.

We confirm that we have implemented internal safeguards to ensure Elizabeth has no involvement in our audit work and that no members of staff working on the audit discuss any aspects of the audit with her.

Appendix 2: Audit adjustments

We identified the following adjustments during the audit. We have discussed these adjustments with management have agreed that they should be incorporated into the financial statements.

		Balance Sheet		Statement of Financial Activities		Recognised gains and losses per SOFA	
		Dr	Cr	Dr	Cr	Dr	Cr
		£	£	£	£	£	£
1	Charitable Expenditure			(227,000)			
	Other (net interest on defined benefit pension scheme)			(32,000)			
	Actuarial gains					2,548,000	
	Pension liability		2,548,000				
<i>Being incorporation of actuarial information into the financial statements.</i>							
2	Creditors	80,634					
	Income				80,634		
<i>Being adjustment to remove deferred income in 2016/17 and adjust for 2015/16 deferred income.</i>							
<i>Net impact on income/(expenditure) in year</i>				(178,366)			
<i>Net expenditure per the Trust's management accounts</i>				(356,890)			
<i>Revised net (expenditure) per audited financial statements</i>				(535,256)			

Appendix 3: Review of financial performance

The table below summarises the financial performance of the Trust for the year ended 31 March 2017.

	2017 £	2016 £	Commentary															
Total income	7,341,046	7,962,764	The management fee received from the Council in 2016/2017 was lower than the prior year (£5,202,840 in 2016/17 in comparison to £6,001,620 in 2015/16). This is offset with an increase in restricted funds received in the year (2016/17 £342,112 in comparison to £69,130 in 2015/16).															
Total expenditure	7,876,302	8,208,540	<p>Overall expenditure has decreased in comparison with the previous year.</p> <p>Staff costs have decreased. Actual pension costs have increased in the year; however the adjustment for actuarial information has decreased in comparison with 2015/16:</p> <table><tr><td></td><td>2017</td><td>2016</td></tr><tr><td></td><td>£</td><td>£</td></tr><tr><td>Superannuation</td><td>647,903</td><td>600,334</td></tr><tr><td>Adjustment for actuarial information</td><td>227,000</td><td>357,000</td></tr><tr><td>Pension costs</td><td>874,903</td><td>957,334</td></tr></table> <p>The decrease in pension costs is offset by an increase in social security costs.</p>		2017	2016		£	£	Superannuation	647,903	600,334	Adjustment for actuarial information	227,000	357,000	Pension costs	874,903	957,334
	2017	2016																
	£	£																
Superannuation	647,903	600,334																
Adjustment for actuarial information	227,000	357,000																
Pension costs	874,903	957,334																
Net income/ (expenditure)	(535,256)	(245,776)																

	2017 £	2016 £	Commentary
Funds:			
Unrestricted	247,525	825,844	The Board approved a revised Financial Reserves Policy in 2016. The policy was amended from 5% of incoming resources (approx. £400k) to a range of 3-5% (approx. £215k – 400k) as the target for unrestricted funds not committed. This target has been achieved in 2016/17.
Designated	320,580	99,150	
Pension reserve	(3,607,000)	(800,000)	<p>At 31 March 2016, East Ayrshire Leisure showed a net liability of £800k. By 31 March 2017 this had increased to a net pension liability of £3,607k. While the fair value of employer assets has improved (increase of £4,240k) and the present value of the scheme liabilities has also increased (£7,047k).</p> <p>The discount rate applied decreased to 2.7% from 3.6% in the previous year. This has a negative effect on the scheme liabilities – resulting in a increase in the liabilities.</p> <p>As sponsoring authority, East Ayrshire Council has guaranteed to accept liability for any unfunded costs which may arise with regard to the Trust relating to their membership in the local government pension scheme, should they cease to exist.</p>
Restricted funds	153,832	73,199	
Total funds	(2,885,063)	198,193	

Appendix 4: Management representation letter

LETTER OF REPRESENTATION: East Ayrshire Leisure

Dear Sirs

East Ayrshire Leisure

This representation letter is provided in connection with your audit of the financial statements of East Ayrshire Leisure for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice.

By a resolution of the board, passed today, I am directed to confirm to you, in respect of the financial statements of the charity for the year ended 31 March 2017, the following:-

Financial statements and accounting records

1. We have fulfilled our responsibilities under the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 for preparing financial statements which give a true and fair view in accordance with UK Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and for making accurate representations to you.
2. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. Except as disclosed in the financial statements, the results for the year were not materially affected by:
 - any change in accounting policies;
 - transactions of a type not usually undertaken by the Trust;
 - circumstances of an exceptional or non-recurrent nature; or
 - charges or credits relating to prior periods.
5. All grants, donations and other incoming resources, the receipt of which is subject to specific terms and conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.
6. All income has been recorded, all restricted funds have been properly applied and all constructive obligations have been recognised.
7. We confirm that there were no restrictions over the donations received and applied to the purchase of the Eglinton Statue.
8. We have reviewed going concern considerations and are satisfied that it is appropriate for the financial statements to have been drawn up on the going concern basis. In reaching this opinion we have taken into account all relevant matters of which we are aware and have considered a future period of at least one year from the date on which the financial statements are to be approved.

9. We have also considered the adequacy of the disclosures in the financial statements relating to going concern and are satisfied that sufficient disclosure has been made in the financial statements in order to give a true and fair view.
10. We confirm the financial statements are free of material misstatements, including omissions.

Fraud

11. We acknowledge as trustees our responsibilities for the design and implementation of internal control in order to prevent and detect fraud and to prevent and detect error.
12. In our opinion, the risks that the financial statements may be materially misstated as a result of fraud are low for the following reasons:
 - Measures have been put in place by management to reduce the risk of fraud and the improper use, or misappropriation of assets.
 - The board undertakes a formal risk review at least once a year, covering a wide range of risks associated with governance, operations, finance and compliance. The risk of fraud and misuse of assets is specifically included in that review.
13. We have disclosed to you all information in relation to fraud or suspected fraud of which we are aware and that affects the entity and involves:
 - management
 - employees who have significant roles in internal control
 - others where the fraud could have a material effect on the financial statements.
14. We are not aware of any allegations of fraud or suspected fraud with a potential effect on the financial statements which have been communicated to us by employees, former employees, regulators or other third parties.

Compliance with laws and regulation, and contractual agreements

15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
16. The Trust has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

Accounting estimates

17. In our opinion the significant assumptions used by us in making accounting estimates are reasonable.

Related parties

18. We have disclosed to you the identity of the charity's related parties and all related party relationships and transactions of which we are aware.
19. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of UK Generally Accepted Accounting Practice.
20. In particular, no trustee, shadow trustee, their connected persons or other officers had any indebtedness, agreement concerning indebtedness or disclosable interest in a transaction with the Trust at any time during the year.

Assets and liabilities

21. The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements:
 - losses arising from sale and purchase commitments;
 - agreements and options to buy back assets previously sold;

- assets pledged as collateral.
22. We have disclosed to you all known actual or possible litigation or claims whose effects should be considered when preparing the financial statements and that they have been accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice.
 23. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
 24. We have no plans to abandon activities or other plans or intentions that will result in any excess or obsolete stocks, and no stock is stated at an amount in excess of net realisable value.
 25. The Trust has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets, other than as disclosed in the financial statements.
 26. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and all guarantees that we have given to third parties.

Subsequent events

27. All events subsequent to the date of the financial statements and for which UK Generally Accepted Accounting Practice require adjustment or disclosure have been adjusted or disclosed. Should any material events occur which may necessitate revision of the figures included in the financial statements or inclusion in the notes thereto, we will advise you accordingly.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

.....

Signed on behalf of the board

On..... (date)

The above trustee is signing this letter on behalf of all trustees confirming that:

- a) so far as each trustee is aware, there is no relevant audit information of which the Trust is unaware; and
- b) each trustee has taken all the steps that ought to have been taken as a trustee, including making appropriate enquiries of fellow trustee and of the Trust for that purpose, in order to be aware of any information needed by the Trust's auditor in connection with preparing their report and to establish that the Trust's auditor is aware of that information.



Scott-Moncrieff
business advisers and accountants

© Scott-Moncrieff Chartered Accountants 2017. All rights reserved. "Scott-Moncrieff" refers to Scott-Moncrieff Chartered Accountants, a member of Moore Stephens International Limited, a worldwide network of independent firms. Scott-Moncrieff Chartered Accountants is registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants of Scotland.

PERFORMANCE REPORT APRIL TO JUNE 2017

Date: 21 August 2017

Agenda Item: 5

Report By: John Griffiths, Chief Executive

Summary

This report provides details of the Trusts performance for the period April to June 2017, the first quarter of the 2017/18 financial year. The report shows sound performance across all areas of the Trusts remit.

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Trustees with a detailed analysis of Trust performance across a range of headings previously agreed by the Board.

2 BACKGROUND

- 2.1 The Trust's performance reporting procedures are now well established and are regularly reviewed and updated. This report contains the revised version of the Risk Register previously developed by Trustees. In addition, the Performance Scorecard has been updated and included in the report. Once the Business Plan 2016-19 update has been agreed, the revised version will be included in future performance reports.

3 RESULTS

- 3.1 The reports key results can be summarised as follows:

3.1.1 BUSINESS PLAN

There has been significant progress towards the achievement of the main objectives of the Business Plan. Targets for Attendances/Visitor numbers will be kept under review to reflect the impact of changes in service delivery.

3.1.2 FINANCE

There are no significant budget variances projected in the April to June quarter.

4 DESIGNATION OF FUNDS

- 4.1 Trustees will recall that decisions relating to the designation of funds from surpluses were deferred at the last meeting. The decision to introduce incremental price rises for the Youth Theatre necessitated a review of the financial plan for this service and additional costs of £15,000 have been identified for 2017/18, this sum has now been included in the schedule of funds for designation shown below:

Training Funds for 2017/18	£10,000
PFS Equipment – Software Contactless	£10,000
Sport & CV Temp Post	£10,000
Youth Theatre Shortfall	<u>£15,000</u>
TOTAL	<u>£45,000</u>

Recommendation/s:

It is recommended that the Sub-Committee:

- i. Approve the Performance Report for April to June 2017;
- ii. Approve the designation of funds proposed in the report; and
- iii. Otherwise note the content of this report.

Signature:



Designation: Chief Executive

Date: 3 August 2017



East Ayrshire Leisure Performs

April 2017 - June 2017



Progress Against 2016-19 Action Plan.....	Page 2
Financial Performance.....	Page 14
▪ Income & Expenditure - by Service	
Other Relevant Updates.....	Page 35
Performance Scorecard.....	Page 37
Risk Register.....	Page 41



PROGRESS AGAINST 2016-19 ACTION PLAN

Key: RED (REQUIRES INTERVENTION) AMBER (WITHIN TOLERANCE) GREEN (POSITIVE PERFORMANCE)

STRATEGIC OBJECTIVE ONE – TO BE RECOGNISED AS A PROVIDER OF HIGH QUALITY SERVICES AND FACILITIES THAT ARE WELL USED

ACTION NO	ACTION	TARGET	PROGRESS OVERVIEW/HIGHLIGHTS AT APRIL - JUNE 2017
EAST AYRSHIRE LEISURE 1.1	Increase Customer Satisfaction levels	Show annual customer satisfaction improvements each year of Business Plan	<ul style="list-style-type: none"> Customer satisfaction survey completed during this quarter. Dick Institute was shortlisted as <i>Best Family Venue</i> at the Scottish Hospitality Awards 2017. It was also nominated by customers and has been shortlisted as one of Scotland's Six Hidden Gems as one of 28 selected from across Scotland. This initiative is managed by the Society of Antiquaries of Scotland. <p>POSITIVE PERFORMANCE</p>
EAST AYRSHIRE LEISURE 1.2	Increase attendance levels/ticket sales through programme development both in person and online.	Increase levels of attendance/ticket sales by 5% over the term of the business plan. Continue to invest in programme development. Increase online visitor usage by 2% each year of Business Plan	<ul style="list-style-type: none"> Cultural Services show a 2% increase in visitor performance during Q 1. Highlights of the programme include: Rachel Maclean in the Main Gallery at the Dick Institute, <i>FEED ME</i> is on loan from National Galleries Scotland. Rachel is currently representing Scotland at the Venice Biennale, and featured in BBC1's Portrait of Billy Connolly. <i>A Wooded Land</i> features artworks and collection items from the EAC collection. EAYT performed the High School Musical performance at Palace Complex. The sell out Eddie Reader performance also provided a key highlight at the Palace Complex. The new mobile libraries were launched and have shown an increase in usage. The Bookbug 'Big Giggles' events happened in May and also staged Spy Quest and the Easter Storytelling sessions. Countryside Services figures for Q1 only include the River Ayr Way and Annanhill Golf Course due to the construction work being carried out at Dean Castle Country Park. The visitor figures show a 5.5% fall during this period. Whilst qualitative assessments haven't been carried out during the period, it is likely that large diversions on the South Ayrshire sections of the River Ayr Way are having an impact on the entire route. It is also likely that the works which are scheduled for the golf course from October have resulted in a reduction in season ticket sales. Summer promotions have been organised to try and mitigate against this reduction. Development and implementation of S&CV core activities and programmes for Athletics, Badminton, Fitness, Football and Swimming for children, young

			<p>people and adults delivered across facility remit including Easter programme at selected core sports venues.</p> <ul style="list-style-type: none"> • Induction of Fitness Membership scheme across sports core venue remit • Booking system now live across core sports venue remit with comprehensive training programme in place for staff. • Future Museum continues to perform well in QI with a 32% increase in unique visits due to development work around Burns and Dean Castle. • Eastayrshireleisure.com has experienced a fall in usage of 19% in QI due to the Digital Marketing Officer leaving resulting in decreased online activity. Website is currently being reviewed. <p>POSITIVE PERFORMANCE ATTENDANCE FIGURES HAVE INCREASED BY 1 % ACROSS THE VENUES DURING QUARTER</p>
EAST AYRSHIRE LEISURE I.3	Achieve new quality standards and/or maintain current Accreditation standards	Visit Scotland: 4 star: Doon Valley Museum 4 star: Dick Institute 4 star: Baird Institute 4/5 star: Dean Castle and Country Park 4 star: Burns House Museum	<ul style="list-style-type: none"> • A meeting was held with VisitScotland to provide advice on how to achieve 5 star status for Dean Castle and Country Park following the development works. VisitScotland has provided a report which has been developed into an action plan to help us work towards achieving the 5 star standard. • All other venues including the Burns Monument Centre have achieved 4 stars.
		Arts Council England Museum Accreditation: Dean Castle/Baird/Burns House/Dick Institute maintained.	<ul style="list-style-type: none"> • Accreditation maintained for retained museums. Arts Council of England. • £45K Funding bid being prepared to support investment in new Collection Management System – Bid will be completed in 2017.
		Collection Significance: Musical Instrument/Burns Collections maintained.	<ul style="list-style-type: none"> • £60K funding bid to Museums Galleries Scotland is being prepared to support investment in display at Dean Castle which will support wider development. • Significance status maintained across both areas.
		How Good Is Our Public Library Service: 2016/17 – 1 indicator tested; 2017/18 – further 2 indicators tested;	<ul style="list-style-type: none"> • Given changes to Library Service we are discussing suitable timeline for starting review in 2017/18 and possibly linking this with the How Good Is Our Culture and Sport Service emerging guidance from SPORTA.

		2018/19 – further 2 indicators tested.	
		British Computer Society Accreditation: Maintain annual accreditation	<ul style="list-style-type: none"> Review has been carried out by BCSA and have achieved accreditation.
		UKA: Maintain Certification at Ayrshire Athletics Arena	<ul style="list-style-type: none"> UKA declared Ayrshire Athletics Arena is fit for competitions – 20th April. UKA no longer carry out full accreditation programme.
		FIFA: Certification of all Synthetic Grass Pitches	<ul style="list-style-type: none"> Valid certification held for all S&CV Synthetic Grass Pitches
		Maintain status as RLSS Approved Training Centre	<ul style="list-style-type: none"> East Ayrshire Leisure recognised as RLSS Approved Training Centre
		Gain Green Flag award for Dean Castle Country Park and Annanhill Golf Course during life of Business Plan.	<ul style="list-style-type: none"> Assessment scheduled for Dean Castle Country Park in January 2018 Assessment scheduled for Annanhill Golf Course in 2019
		UKactive: achieve membership criteria	<ul style="list-style-type: none"> Ongoing dialogue with UKactive regarding full membership. Membership status to be achieved Mid 2017. <p>POSITIVE PERFORMANCE</p>
EAST AYRSHIRE LEISURE 1.4	Maintain and sustain high level partnerships that support service delivery and improvement.	Maintain current partnership network.	<ul style="list-style-type: none"> Worked with Creative Scotland to support major Nathan Coley commission for 2017. Worked with National Galleries of Scotland to develop Rachel MacLean exhibition for 2017. Landscape Partnership bid has been submitted to Heritage Lottery Fund. This is a partnership led by East Ayrshire Council and includes East Ayrshire Leisure, Forestry Commission Scotland and Central Scotland Green Network Trust. Ongoing work with key partners and sports groups/clubs to grow and develop

			<p>the provision of sporting/physical activity opportunities and events under S&CV.</p> <ul style="list-style-type: none"> • Working in partnership with Kilmarnock Harriers to deliver community athletics programme at the Ayrshire Athletics Arena. Volunteers assist with the delivery of Run, Jump and Throw and Easter holiday programme as well as the promotion of our athletics pathway for children to access club athletics. • Worked in partnership to host the First Tour of Ayrshire with East Ayrshire Council and Golazo. • New partnerships established with Scottish Sporting Futures, Xchange Scotland and NOMADs to support funding for staff training and volunteering opportunities. • New Farm Rainbows and Girl Guides are the newest organisations to join the New Farm Community Sports Hub partnership to support health & physical activity opportunities and participation within the St Joseph's Leisure Centre. • Rock Star Cheerleading are the newest partners to the Stewarton Community Sports Hub. <p>POSITIVE PERFORMANCE</p>
EAST AYRSHIRE LEISURE 1.5	Introduce a system to audit, monitor and improve environmental efficiency across our core facilities	Create annual improvement plan and work with East Ayrshire Council to ensure our venues/facilities meet our environmental objectives.	<ul style="list-style-type: none"> • East Ayrshire Leisure is represented on the East Ayrshire Council Climate Challenge Group who co-ordinate and lead environmental best practice across the service areas. • To further improve efficiency East Ayrshire Leisure have submitted applications challenging the 95% return to sewer charged imposed by Scottish Water for Dean Castle Country Park, Annanhill Golf Course and Doon Valley Leisure Centre. • Raise staff awareness of energy conservation through Desktop Learning. <p>POSITIVE PERFORMANCE</p>

STRATEGIC OBJECTIVE TWO – TO ENHANCE PEOPLE'S HEALTH AND WELLBEING THROUGH PARTICIPATION

ACTION NO	ACTION	TARGET	PROGRESS AT April - June 2017
EAST AYRSHIRE LEISURE 2.1	Increase general participation /attendance levels across service areas	<ul style="list-style-type: none"> • Increase participation/ attendance levels by 5% over the term of the Business Plan. 	<ul style="list-style-type: none"> • Cultural Services show a 2% increase in visitor performance during Q1. Highlights of the programme include: DO Art at the DI maintains its capacity attendance for art classes. Gaelic visual art classes also going well with partners Onthank Primary School attending monthly sessions. 140 pupils attended tailored Egyptian sessions at the DI which includes visual art, collections and drama. In our libraries we staged Spy Quest, Easter Storytelling and Writers Days, alongside our ever popular Bookbug and ICT classes. Syrian refugee family visit to introduce them to the library. • A detailed engagement programme has been planned for the Castle and Dick Institute around the development programme and this has now started. • Although general visitor attendance is down by 5.5% within Countryside Services, the Countryside ranger team has focused on raising their profile within schools and engaging with educational establishments across East Ayrshire. Events and activities in this period have also been well attended. • Continuation of core programmes and activities (Athletics, Badminton, Fitness, Football and Swimming) under S&CV during April - June March with additional marketing for fitness membership and Easter Programme. • New Interaction and play sessions for 0-4yrs introduced at Stewarton Area Centre. • Following the success of the first Roon the Toon, a second event was held in June 2017 with an increase in participants taking part and additional support from external sponsors. To further support Roon the Toon 2017 a jogging group and a Strength and Flex fitness class were established to support participation in the run up to the event. • Development of East Ayrshires only Handball club within St Joseph's Leisure Centre.

			<ul style="list-style-type: none"> • In partnership with Scottish Athletics the AAA hosted the 2017 West Districts Championships. • Stewarton Area Centre hosted the first live band concert starring 80's Band The Vapours and local band Dogtooth. • Delivery of RLSS Lifeguard Course at Loudoun Leisure Centre. • Introduction of new weights machine at Doon Valley Leisure Centre has increased gym attendances and membership sales. <p>POSITIVE PERFORMANCE ATTENDANCE / PARTICIPATION FIGURES HAVE INCREASED BY 1 % ACROSS THE VENUES DURING THIS QUARTER</p>
EAST AYRSHIRE LEISURE 2.2	Increase opportunities for/numbers of young people (12-25) using our services.	<ul style="list-style-type: none"> • Increase by 1% each year number of young people using our service areas. • Raise £50K external funding during life of Business Plan to support programmes aimed at young people. • Maintain and develop 2 partnerships/initiatives each year to support young people centred programmes e.g. EASC Affiliated Sports Clubs, Youth Arts Network, Vibrant Communities. • Offer reduced cost/free access to facility/project use for targeted groups of young people. • Carry out project surveys to measure behavioural change impact in 2016/17/18/19 	<ul style="list-style-type: none"> • Cultural services has developed a range of engagement programmes around visual art (children's, adult and Gaelic workshops), and museums (Egyptian, Roman and WWII workshops), some of which are income generating. • Cultural Services have submitted an application to EventScotland's Year of Young People 2018 to support a cultural programme led by young people at the Dick Institute. The outcome will be known in October 2017. • Work has started with nurture groups within Stewarton Academy and Grange Academy to develop a programme of outdoor activities aimed at supporting young people who have become disengaged from school. This pilot project has been successful in attracting £1000 from Cashback for Communities Fund • An application for £34,000 has been submitted to Creative Breaks for a residential outdoor learning project aimed at young carers. The decision for this award will be made in September 2017. • 141 weekly sessions are on offer for those age 12 plus to participate in a wide range of sport and fitness activities. Session are delivered directly by East Ayrshire Leisure or in partnership with local sports clubs and organisations.

			<ul style="list-style-type: none"> Young volunteers from Kilmarnock Harriers given the opportunity to work alongside our Sport and Physical Activity Coaches to assist with the delivery of our community athletics programme as part of their Duke of Edinburgh's Award. <p>POSITIVE PERFORMANCE</p>
EAST AYRSHIRE LEISURE 2.3	Maximise access to our facilities and programmes for people with physical, sensory or learning disabilities.	<ul style="list-style-type: none"> Apply audit findings where appropriate, in 2017/18/19 Support people using our facilities/ programmes with mixed ability needs. 	<ul style="list-style-type: none"> 9 students from Willowbank School have successfully completed their John Muir Award A grant of £10,000 has been received from Awards for All to implement the Growing Memories Project. This involves working with Alzheimer's Scotland to develop a remote volunteering programme for people suffering from dementia. Cultural Services – Willowbank School took part in the Egyptians programme at the Dick Institute and also took part in library sessions. Carried out community consultation regarding new play facilities at Dean Castle Country Park in partnership with East Ayrshire Council's Access Design Officer and Jupiter Play DDA specialist. Ongoing work with EAC Vibrant Communities to provide a community programme for the All Ability Bikes at the Ayrshire Athletics Arena. S&CV staff working with community groups and schools to provide opportunity for cycling at the AAA through use of the All Ability Bikes for those that have additional support needs. Concessionary discount on our gym and fitness memberships for adults with a disability, allowing access to our gyms, swimming pools, athletics track and fitness classes for a reduced rate. The first Frame Football match had taken place at Grange Leisure Centre with Grange Frame Football Club playing against Partick Thistle Frame Football Club from Glasgow. <p>POSITIVE PERFORMANCE</p>

<p>EAST AYRSHIRE LEISURE 2.4</p>	<p>Increase opportunities for/numbers of older people (60+) using our services.</p>	<ul style="list-style-type: none"> • Increase attendance by older people by 1% each year. • Ensure we have programmes that are attractive to older users. • Carry out sample surveys to measure behavioural change impact in 2016/17/18/19 • Develop and maintain partnerships each year to support older people centred programmes e.g. NHS Ayrshire & Arran, Vibrant Communities. 	<ul style="list-style-type: none"> • Developing programmes with Vibrant Communities team around aspects of library delivery and the Dean Castle project. • Library team delivered Bookbug sessions with Grange young people and Craigie Nursing Home at the Dick Institute. • The Homeworks service continues to increase its reach and numbers continue to grow during this quarter. • Developing a partnership with Alzheimer's Scotland to engage older people in specific volunteering programmes. • Ongoing Support to Stewarton Walking Football Team with further opportunities to play through participation at national Walking Football Tournament in Glasgow. • Concessionary discount on our gym and fitness memberships for adults over 60 years old, allowing access to our gyms, swimming pools, athletics track and fitness classes for a reduced rate. • Supporting Vibrant Communities deliver a range of exercise and movement classes in Stewarton Area Centre. <p>POSITIVE PERFORMANCE</p>
--	---	---	---

STRATEGIC OBJECTIVE THREE – TO ENHANCE EAST AYRSHIRE'S TOURISM OFFER

ACTION NO	ACTION	TARGET	PROGRESS AT April – June 2017
EAST AYRSHIRE LEISURE 3.1	Increase visitor attendance at our key tourist attractions including: Dick Institute, Dean Castle & Country Park, Baird Institute, Doon Valley Museum, Burns House Museum & Library, River Ayr Way, Palace & Grand Hall Complex and Cumnock Town Hall	<ul style="list-style-type: none"> • Increase levels of visitor attendance in line with targets set in local Tourism Strategies. • Develop cultural/countryside and sport tourism packages with Visit Scotland/EAC to promote our venues/events. • Submit external funding bids to support tourism development across our facilities/venues. • Maintain and develop partnership working with Visit Scotland/ EventsScotland to support our programmes. 	<ul style="list-style-type: none"> • Event Scotland funding application made for Burns Birthday event in Mauchline. • Major works nearing completion at Dean Castle Country Park and will re open in September. • Dean Castle project is being tendered at present and due for start date of January 2018. <p>POSITIVE PERFORMANCE</p>
EAST AYRSHIRE LEISURE 3.2	Work with local groups to add value to the tourism offer.	<ul style="list-style-type: none"> • Work with 4 groups each year to support community development and to harness local knowledge. 	<ul style="list-style-type: none"> • East Ayrshire Leisure has provided support to the Irvine Valley Regeneration Group in the organisation of their annual walking festival • Cultural Services is currently working with Kilmarnock Engineering and Science Society to develop an exhibition for the Baird Institute due to open in September. Artwork by Netherthird Primary School will also be exhibited. <p>POSITIVE PERFORMANCE</p>

STRATEGIC OBJECTIVE FOUR – TO BE RECOGNISED AS AN EMPLOYER OF CHOICE

ACTION NO	ACTION	TARGET	PROGRESS AT 30 JUNE 2017
EAST AYRSHIRE LEISURE 4.1	Increase levels of staff satisfaction from 2016/17 baseline.	<ul style="list-style-type: none"> Respond to survey findings. Maintain constructive relationship with Trade Union – 6 meetings annually. Maintain absence to below acceptable level of 8 days per annum. Continue to achieve low levels of formal Grievances 	<ul style="list-style-type: none"> Employee surveys have been completed during this quarter. Staff Recognition Award – Our staff recognition scheme has now successfully run over 2 quarters with nominations being made for both external and internal awards; winners have received their certificates and vouchers with accompanying photocalls being used to publicise the scheme. <p>The numbers of nominations have been dwindling and require a push therefore we will continue to promote the scheme utilising various mechanisms.</p> <ul style="list-style-type: none"> Absence level recorded for the period 1 April – 25 May was 3.37 days. This is primarily due to long term absence. No Grievance Appeals were held during this period. <p>POSITIVE PERFORMANCE</p>
EAST AYRSHIRE LEISURE 4.2	Increase the number of volunteering, placement and apprenticeship opportunities.	<ul style="list-style-type: none"> 6 Modern Apprenticeships during life of Business Plan subject to funding. 10 work placements during life of Business Plan 3 interns during life of Business Plan. Individual volunteers increase by 2% each year Volunteer days increased by 2% 	<ul style="list-style-type: none"> 96 volunteer visits took place at Dean Castle Country Park in Q1, this included 36 people attending a volunteer event as part of National Volunteer Week. The Dean Castle Country Park Friends Group was launched as part of National Volunteer Week and is scheduled to meet on the first Sunday and Tuesday of each month. £10,000 was secured from the Heritage Lottery Fund as part of the 2017 year of History, Heritage and Archaeology. This grant will be used to appoint 2 volunteer apprentices who will benefit from training and support in traditional rural skills. 2 work placements from the Park School spent time at Dean Castle Country Park and Annanhill Golf Course over an 8 week period between April and June

			<ul style="list-style-type: none"> • 16 work placements from Ayrshire College spent 2 weeks with the Estates Team in May 2017. 4 of these placements were at Annanhill Golf Course and the rest at the Country Park. • Cultural Services currently has four active volunteers who assist on a weekly basis with the visual art classes and with EAYT. School placements are supported on an ongoing basis throughout the school year. • 15 people continue to actively volunteer through our highly successful Textile Team based at Dean Castle. • Young Hub Leaders have been volunteering through the Community Sports Hubs (Auchinleck, Grange, St Joseph's, Stewarton and the Academy) supporting clubs/programmes and offering ideas to engage their peers in activities. <p>POSITIVE PERFORMANCE</p>
EAST AYRSHIRE LEISURE 4.3	Advance staff through training and development	<ul style="list-style-type: none"> • Increase the use of EAGER working towards 95% coverage for permanent staff. • Develop training matrix for all service areas • Develop bespoke e-learning modules and training courses • Adopt volunteering policy allowing employees the opportunity to volunteer with external organisations 	<ul style="list-style-type: none"> • EAGER timelines are currently being reviewed for 2017/18 to maximise returns and ensure inclusion within future Strategic Training & Development Plan. • Further Seminars on Culture Development have taken place across the organisation, a total of 230 members of staff attended. • Over 200 members of staff have now personally signed up to the pledge from Stonewall Scotland 'No Bystanders Campaign'. • A Seminar and Good Practice Guide for Recruitment & Selection has been developed and is being delivered to staff. • Obtained author rights to develop bespoke e-learning modules on Learn-Pro. • Communication and Human Connection training for our Sport and Physical Activity Coaches provided Education Through Cash Back. <p>POSITIVE PERFORMANCE</p>



FINANCIAL PERFORMANCE TO 30.06.17

Performance & Audit Sub Committee
2017/18 EAST AYRSHIRE LEISURE BUDGET
AS AT 30th JUNE 2017 – QUARTER 1 - PERIOD 3
SIGNIFICANT VARIANCES – ANALYSIS & COMMENTARY

The projected outturn for East Ayrshire Leisure at 30th June 2017 is a projected breakeven position.

There are further variances within Income and Expenditure, these are closely monitored and managed within the Service - detailed analysis provided below.

TABLE A – Overall Net Position (including Income/Expenditure) for East Ayrshire Leisure analysed by Service Area

TABLE B – Overall Net Position (including Income/Expenditure) for East Ayrshire Leisure analysed by Subjective Level

TABLE C – Income Position for East Ayrshire Leisure analysed by Service Area

TABLE D – Expenditure Position for East Ayrshire Leisure analysed by Service Area

TABLE A – OVERALL NET POSITION

Revised Actual Exp. To 30/06/16	Actual Out-turn to 31/03/17	Service Division	Annual Estimate 2017/18	Revised Actual Exp. To 30/06/17	Revised Budget To 30/06/17	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse
129,035	945,325	CHIEF EXECUTIVE & PEOPLE & FINANCE	1,131,880	143,806	184,461	13%	1,126,180	(5,700)
68,540	350,193	MARKETING & DEVELOPMENT	289,890	67,952	54,406	23%	295,590	5,700
440,104	2,150,767	CULTURAL	1,933,300	385,269	390,124	20%	1,948,300	15,000
15,662	71,559	Cultural Management	66,080	13,817	11,276	21%	66,080	0
27,224	143,526	Collection Care	145,350	29,330	29,462	20%	145,350	0
55,649	436,796	Cultural Development	415,270	79,101	86,145	19%	415,270	0
4,609	5,196	Youth Theatre	(5,460)	1,038	3,310	-19%	9,540	15,000
271,694	1,104,708	Libraries	962,260	187,441	200,345	19%	962,260	0
(10,574)	(24,129)	Bar & Catering	(24,600)	(14,030)	(9,647)	57%	(24,600)	0
75,840	413,111	Performing Arts Venues	374,400	88,572	69,233	24%	374,400	0
73,108	756,624	COUNTRYSIDE SERVICES	618,090	86,679	68,489	14%	618,090	0
116,905	557,060	Countryside Development	531,410	108,110	98,767	20%	531,410	0
(43,797)	199,564	Countryside Golf	86,680	(21,432)	(30,278)	-25%	86,680	0
143,499	1,356,821	SPORT & COMMUNITY VENUES	908,170	112,648	243,203	12%	908,170	0
81,365	464,682	Sport & Community Management	427,930	53,828	85,137	13%	427,930	0
3,964	110,620	Area 1	87,750	6,336	10,670	7%	87,750	0
41,899	208,833	Area 2	150,740	20,562	28,108	14%	150,740	0
28,167	210,379	Area 3	228,220	26,664	57,063	12%	228,220	0
43,368	319,201	Area 4	125,460	56,866	74,478	45%	125,460	0
(287)	18,946	Area 5	(38,230)	(5,501)	(9,435)	14%	(38,230)	0
(5,625)	60,327	Football	34,180	1,760	11,020	5%	34,180	0
(49,352)	(36,167)	Community Venues	(107,880)	(47,868)	(13,838)	44%	(107,880)	0
854,285	5,559,730	TOTAL	4,881,330	796,354	940,683	16%	4,896,330	15,000
(1,280,350)	(5,202,840)	Management Fee	(4,755,370)	(1,133,850)	(1,189,791)	24%	(4,755,370)	0
(426,065)	356,890	TOTAL	125,960	(337,496)	(249,108)		140,960	15,000
0	0	Savings Yet to be Identified	(31,530)	0	0		(31,530)	0
(23,430)	(418,650)	Trs From Reserves	(104,430)	(14,429)	0		(119,430)	(15,000)
0	0	Designated Funds	0	0	0		0	0
0	0	Trs To Reserves	10,000	10,000	0		10,000	0
(449,495)	(61,760)	TOTAL (after transfer to reserves)	0	(341,926)	(249,108)		0	0

TABLE B – OVERALL NET POSITION

Revised Actual Exp. To 30/06/16	Actual Out-turn to 31/03/17	Service Division	Annual Estimate 2017/18	Revised Actual Exp. To 30/06/17	Revised Budget To 30/06/17	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse
(464,885)	(1,796,094)	Income From Charitable Activities	(1,765,910)	(443,410)	(449,436)	25%	(1,755,260)	10,650
(1,280,350)	(5,202,840)	Management Fee	(4,755,370)	(1,133,850)	(1,189,791)	24%	(4,755,370)	0
(1,745,235)	(6,998,934)	TOTAL INCOME	(6,521,280)	(1,577,260)	(1,639,227)	24%	(6,510,630)	10,650
1,060,225	5,364,165	Employee Costs	5,009,340	1,002,421	1,055,475	20%	4,964,140	(45,200)
7,285	40,311	Transport Costs	35,930	7,892	11,724	22%	35,930	0
80,867	716,901	Premises Costs	557,470	27,592	128,558	5%	556,330	(1,140)
167,620	871,977	Supplies & Services	928,330	181,711	170,081	20%	979,020	50,690
0	31,510	Financing Costs	8,090	0	0	0%	8,090	0
0	212,400	Support Costs	0	0	0	0%	0	0
3,173	118,559	Governance Costs	108,080	20,147	24,281	19%	108,080	0
1,319,170	7,355,824	TOTAL RESOURCES EXPENDED	6,647,240	1,239,764	1,390,119	19%	6,651,590	4,350
(426,065)	356,890	NET POSITION	125,960	(337,496)	(249,108)		140,960	15,000
0	0	Savings Yet to be Identified	(31,530)	0	0		(31,530)	0
(23,430)	(418,650)	Trs From Reserves	(104,430)	(14,429)	0		(119,430)	(15,000)
0	0	Designated Funds	0	0	0		0	0
0	0	Trs To Reserves	10,000	10,000	0		10,000	0
(449,495)	(61,760)	TOTAL (after transfer to reserves)	0	(341,926)	(249,108)		0	0

TABLE C – INCOME POSITION

Revised Actual Income To 30/06/16	Actual Out-turn to 31/03/17	Service Division	Annual Estimate 2017/18	Revised Actual Income To 30/06/17	Revised Budget Income To 30/06/17	Actual Income as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse
(1,547)	(5,671)	CHIEF EXECUTIVE & PEOPLE & FINANCE	(2,000)	(1,051)	(501)	53%	(2,000)	0
0	(363)	MARKETING & DEVELOPMENT	0	0	0	0%	0	0
(80,184)	(511,406)	CULTURAL	(455,080)	(89,492)	(106,644)	20%	(472,430)	(17,350)
0	0	Cultural Management	(2,180)	0	(2,180)	0%	(2,180)	0
(1,533)	(2,711)	Collection Care	(1,500)	(668)	0	45%	(3,000)	(1,500)
(626)	(2,739)	Cultural Development	(2,590)	(2,389)	(648)	92%	(3,420)	(830)
(5,384)	(35,040)	Youth Theatre	(20,780)	(11,676)	0	56%	(34,800)	(14,020)
(10,630)	(85,359)	Libraries	(70,240)	(7,647)	(6,396)	11%	(70,240)	0
(25,487)	(98,065)	Bar & Catering	(86,000)	(33,505)	(26,660)	39%	(87,000)	(1,000)
(36,523)	(287,491)	Performing Arts Venues	(271,790)	(33,607)	(70,760)	12%	(271,790)	0
(111,227)	(159,441)	COUNTRYSIDE SERVICES	(188,140)	(77,365)	(100,054)	41%	(164,140)	24,000
(12,667)	(38,671)	Countryside Development	(64,130)	(11,240)	(16,130)	18%	(40,130)	24,000
(98,561)	(120,770)	Countryside Golf	(124,010)	(66,125)	(83,924)	53%	(124,010)	0
(271,927)	(1,119,213)	SPORT & COMMUNITY VENUES	(1,120,690)	(275,502)	(242,237)	25%	(1,116,690)	4,000
(20,549)	(54,241)	Sport & Community Management	(81,510)	(33,597)	(17,884)	41%	(81,510)	0
(51,691)	(230,033)	Area 1	(224,550)	(50,060)	(54,883)	22%	(224,550)	0
(18,961)	(76,368)	Area 2	(79,700)	(21,514)	(19,906)	27%	(80,700)	(1,000)
(52,704)	(238,307)	Area 3	(216,580)	(58,800)	(31,399)	27%	(216,580)	0
(23,863)	(87,842)	Area 4	(49,730)	(15,588)	(26,107)	31%	(44,730)	5,000
(50,497)	(256,782)	Area 5	(277,280)	(53,123)	(57,797)	19%	(277,280)	0
(3,307)	(14,975)	Football	(10,840)	(2,539)	(1,409)	23%	(10,840)	0
(50,355)	(160,667)	Community Venues	(180,500)	(40,280)	(32,852)	22%	(180,500)	0
(464,885)	(1,796,094)	TOTAL	(1,765,910)	(443,410)	(449,436)	25%	(1,755,260)	10,650
(1,280,350)	(5,202,840)	Management Fee	(4,755,370)	(1,133,850)	(1,189,791)	24%	(4,755,370)	0
(1,745,235)	(6,998,934)	TOTAL	(6,521,280)	(1,577,260)	(1,639,227)	24%	(6,510,630)	10,650

TABLE D – EXPENDITURE POSITION

Revised Actual Exp. To 30/06/16	Actual Out-turn to 31/03/17	Service Division	Annual Estimate 2017/18	Revised Actual Exp. To 30/06/17	Revised Budget To 30/06/17	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse
130,582	950,996	CHIEF EXECUTIVE & PEOPLE & FINANCE	1,133,880	144,858	184,962	13%	1,128,180	(5,700)
68,540	350,556	MARKETING & DEVELOPMENT	289,890	67,952	54,406	23%	295,590	5,700
520,288	2,662,173	CULTURAL	2,388,380	474,761	496,768	20%	2,420,730	32,350
15,662	71,559	Cultural Management	68,260	13,817	13,456	20%	68,260	0
28,757	146,237	Collection Care	146,850	29,998	29,462	20%	148,350	1,500
56,277	439,536	Cultural Development	417,860	81,489	86,793	20%	418,690	830
9,992	40,235	Youth Theatre	15,320	12,714	3,310	83%	44,340	29,020
282,324	1,190,068	Libraries	1,032,500	195,088	206,741	19%	1,032,500	0
14,913	73,935	Bar & Catering	61,400	19,475	17,013	32%	62,400	1,000
112,364	700,603	Performing Arts Venues	646,190	122,180	139,993	19%	646,190	0
184,335	916,065	COUNTRYSIDE SERVICES	806,230	164,043	168,543	20%	782,230	(24,000)
129,571	595,731	Countryside Development	595,540	119,351	114,897	20%	571,540	(24,000)
54,764	320,334	Countryside Golf	210,690	44,693	53,646	21%	210,690	0
415,426	2,476,034	SPORT & COMMUNITY VENUES	2,028,860	388,150	485,440	19%	2,024,860	(4,000)
101,914	518,923	Sport & Community Management	509,440	87,425	103,021	17%	509,440	0
55,654	340,653	Area 1	312,300	56,397	65,553	18%	312,300	0
60,859	285,201	Area 2	230,440	42,076	48,014	18%	231,440	1,000
80,872	448,685	Area 3	444,800	85,465	88,462	19%	444,800	0
67,231	407,042	Area 4	175,190	72,454	100,585	41%	170,190	(5,000)
50,210	275,728	Area 5	239,050	47,622	48,362	20%	239,050	0
(2,317)	75,301	Football	45,020	4,299	12,429	10%	45,020	0
1,003	124,500	Community Venues	72,620	(7,588)	19,014	-10%	72,620	0
1,319,170	7,355,824	TOTAL	6,647,240	1,239,764	1,390,119	19%	6,651,590	4,350
		Management Fee						0
1,319,170	7,355,824	TOTAL	6,647,240	1,239,764	1,390,119	19%	6,651,590	4,350

CHIEF EXECUTIVE & PEOPLE & FINANCE SERVICE ANALYSIS

Revised Actual Exp. To 30/06/16	Actual Out-turn to 31/03/17	CHIEF EXECUTIVE & PEOPLE & FINANCE	Annual Estimate 2017/18	Revised Actual Exp. To 30/06/17	Revised Budget To 30/06/17	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse	Comment
(1,547)	(5,671)	Income From Charitable Activities	(2,000)	(1,051)	(501)	53%	(2,000)	0	
(1,280,350)	(5,202,840)	Management Fee	(4,755,370)	(1,133,850)	(1,189,791)	24%	(4,755,370)	0	
(1,281,897)	(5,208,511)	TOTAL INCOME	(4,757,370)	(1,134,901)	(1,190,292)	24%	(4,757,370)	0	
99,288	647,601	Employee Costs	778,290	122,949	154,153	16%	772,590	(5,700)	Projected variance relates to a vacancy which is currently being advertised.
582	2,821	Transport Costs	2,750	354	690	13%	2,750	0	
14,552	15,263	Premises Costs	17,730	11,473	12,881	65%	17,730	0	
12,988	49,225	Supplies & Services	310,330	7,506	13,789	2%	310,330	0	
0	0	Financing Costs	0	0	0		0	0	
0	212,400	Support Costs	0	0	0		0	0	
3,173	23,686	Governance Costs	24,780	2,576	3,449	10%	24,780	0	
130,582	950,996	TOTAL RESOURCES EXPENDED	1,133,880	144,858	184,962	13%	1,128,180	(5,700)	
(1,151,315)	(4,257,515)	NET POSITION	(3,623,490)	(990,044)	(1,005,330)	27%	(3,629,190)	(5,700)	
0	0	Savings Yet to be Identified	(31,530)	0	0		(31,530)	0	
(2,810)	(172,260)	Trs From Reserves	(90,730)	(730)	0		(90,730)	0	
	0	Designated Funds					0	0	
		Trs To Reserves						0	
(1,154,125)	(4,429,775)	TOTAL (after transfer to reserves)	(3,745,750)	(990,774)	(1,005,330)	26%	(3,751,450)	(5,700)	

MARKETING & DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. To 30/06/16	Actual Out-turn to 31/03/17	MARKETING & DEVELOPMENT	Annual Estimate 2017/18	Revised Actual Exp. To 30/06/17	Revised Budget To 30/06/17	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse	Comment
0	(363)	Income From Charitable Activities	0	0	0		0	0	
		Management Fee						0	
0	(363)	TOTAL INCOME	0	0	0		0	0	
45,959	247,805	Employee Costs	205,700	49,417	37,866	24%	221,200	15,500	Projected variance relates to responsibility payment during a period of sickness absence cover and maternity leave cover.
0	0	Transport Costs	0	0	0		0	0	
0	0	Premises Costs	0	0	0		0	0	
22,581	97,127	Supplies & Services	79,940	17,639	15,477	22%	70,140	(9,800)	Management action taken to partially offset additional staffing costs
0	0	Financing Costs	0	0	0		0	0	
0	0	Support Costs	0	0	0		0	0	
0	5,625	Governance Costs	4,250	896	1,063	21%	4,250	0	
68,540	350,556	TOTAL RESOURCES EXPENDED	289,890	67,952	54,406	23%	295,590	5,700	
68,540	350,193	NET POSITION	289,890	67,952	54,406	23%	295,590	5,700	
(6,310)	(65,370)	Trs From Reserves	(8,600)	(8,595)	0		(8,600)	0	
		Designated Funds						0	
		Trs To Reserves						0	
62,230	284,823	TOTAL (after transfer to reserves)	281,290	59,357	54,406	21%	286,990	5,700	

CULTURAL SERVICE ANALYSIS

Revised Actual Exp. To 30/06/16	Actual Out-turn to 31/03/17	CULTURAL	Annual Estimate 2017/18	Revised Actual Exp. To 30/06/17	Revised Budget To 30/06/17	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse	Comment
(80,184)	(511,406)	Income From Charitable Activities	(455,080)	(89,492)	(106,644)	20%	(472,430)	(17,350)	Youth Theatre income projection increased to reflect new Business Plan in addition to favourable movements across cultural.
		Management Fee						0	
(80,184)	(511,406)	TOTAL INCOME	(455,080)	(89,492)	(106,644)	20%	(472,430)	(17,350)	
386,624	1,880,369	Employee Costs	1,727,900	336,892	345,313	19%	1,727,900	0	
2,993	13,428	Transport Costs	13,950	2,276	3,474	16%	13,950	0	
9,633	227,658	Premises Costs	212,370	5,366	47,651	3%	211,230	(1,140)	
121,038	481,342	Supplies & Services	385,110	120,724	89,067	31%	418,600	33,490	Youth Theatre expenditure projection increased to reflect new Business Plan in addition to movements across cultural.
0	7,440	Financing Costs	4,000	0	0	0%	4,000	0	
0	0	Support Costs	0	0	0		0	0	
0	51,936	Governance Costs	45,050	9,503	11,263	21%	45,050	0	
520,288	2,662,173	TOTAL RESOURCES EXPENDED	2,388,380	474,761	496,768	20%	2,420,730	32,350	
440,104	2,150,767	NET POSITION	1,933,300	385,269	390,124	20%	1,948,300	15,000	Relates to Youth Theatre projected position as a result of new Business Plan.
(5,000)	(34,640)	Trs From Reserves	0	0	0		(15,000)	(15,000)	
	0	Designated Funds					0	0	
		Trs To Reserves						0	
435,104	2,116,127	TOTAL (after transfer to reserves)	1,933,300	385,269	390,124	20%	1,933,300	0	

COUNTRYSIDE SERVICE ANALYSIS

Revised Actual Exp. To 30/06/16	Actual Out-turn to 31/03/17	COUNTRYSIDE SERVICES	Annual Estimate 2017/18	Revised Actual Exp. To 30/06/17	Revised Budget To 30/06/17	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse	Comment
(111,227)	(159,441)	Income From Charitable Activities	(188,140)	(77,365)	(100,054)	41%	(164,140)	24,000	Income targets not being met due to temporary closures at both Annanhill Golf Course and Dean Castle Country Park
		Management Fee						0	
(111,227)	(159,441)	TOTAL INCOME	(188,140)	(77,365)	(100,054)	41%	(164,140)	24,000	
143,387	690,745	Employee Costs	686,960	136,186	143,740	20%	636,960	(50,000)	Managed approach to vacancies to offset reduction in income and to facilitate service review process scheduled for implementation in April 2018
3,525	23,601	Transport Costs	18,280	5,131	7,472	28%	18,280	0	
22,250	77,427	Premises Costs	49,890	5,466	904	11%	49,890	0	
14,363	98,958	Supplies & Services	42,760	16,364	15,364	38%	68,760	26,000	Additional expenditure required to carry out essential maintenance at Dean castle Country Park and Annanhill Golf Course and to provide essential PPE and training to estates team.
0	19,710	Financing Costs	4,090	0	0	0%	4,090	0	
0	0	Support Costs	0	0	0		0	0	
0	5,625	Governance Costs	4,250	896	1,063	21%	4,250	0	
183,525	916,065	TOTAL RESOURCES EXPENDED	806,230	164,043	168,543	20%	782,230	(24,000)	
72,298	756,624	NET POSITION	618,090	86,679	68,489	14%	618,090	0	
0	(31,390)	Trs From Reserves	0	0	0		0	0	
	0	Designated Funds					0	0	
		Trs To Reserves						0	
72,298	725,234	TOTAL (after transfer to reserves)	618,090	86,679	68,489	14%	618,090	0	

SPORT & COMMUNITY VENUES SERVICE ANALYSIS

Revised Actual Exp. To 30/06/16	Actual Out-turn to 31/03/17	SPORT & COMMUNITY VENUES	Annual Estimate 2017/18	Revised Actual Exp. To 30/06/17	Revised Budget To 30/06/17	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/18	Variance (Favourable) / Adverse	Comment
(271,927)	(1,119,213)	Income From Charitable Activities	(1,120,690)	(275,502)	(242,237)	25%	(1,116,690)	4,000	£5k adverse variance relates to income shortfalls at Community Asset Transfer facilities (Muirkirk and Patna Games Halls). £1k grant received Stewarton Area Centre.
		Management Fee						0	
(271,927)	(1,119,213)	TOTAL INCOME	(1,120,690)	(275,502)	(242,237)	25%	(1,116,690)	4,000	
384,966	1,897,646	Employee Costs	1,610,490	356,977	374,403	22%	1,605,490	(5,000)	Favourable variance relates to staffing for Community Asset Transfer facilities
185	461	Transport Costs	950	131	88	14%	950	0	
34,433	396,554	Premises Costs	277,480	5,287	67,122	2%	277,480	0	
(3,349)	145,325	Supplies & Services	110,190	19,479	36,384	18%	111,190	1,000	Purchase of projector at Stewarton Area Centre- externally funded (see Income comment)
0	4,360	Financing Costs	0	0	0		0	0	
0	0	Support Costs	0	0	0		0	0	
0	31,688	Governance Costs	29,750	6,275	7,443	21%	29,750	0	
416,235	2,476,034	TOTAL RESOURCES EXPENDED	2,028,860	388,150	485,440	19%	2,024,860	(4,000)	
144,308	1,356,821	NET POSITION	908,170	112,648	243,203	12%	908,170	0	
(9,310)	(114,990)	Trs From Reserves	(5,100)	(5,104)	0		(5,100)	0	
	0	Designated Funds					0	0	
		Trs To Reserves	10,000	10,000	0		10,000	0	£10k funding received from REF re 2016 Fireworks event
134,998	1,241,831	TOTAL (after transfer to reserves)	913,070	117,544	243,203	13%	913,070	0	

RESERVES AS AT 30 JUNE 2017

TABLE A – Summary

TABLE B – Unuseable Reserves

TABLE C – Allocated Reserves Analysis

TABLE D – Unallocated Reserves - Items for Designation

TABLE A – SUMMARY

UNRESTRICTED RESERVES	2016/17 b/f	2016/17 SURPLUS	BALANCE 31 March 2017	REVISED BALANCE	PROPOSED DRAWDOWN	Q1	Q2	Q3	Q4	BALANCE	APPROVAL	STATUS	NOTES
FIXED ASSET RESERVE	43,640		43,640	43,640						43,640			
RETAINED RESERVES	250,000		250,000	250,000						250,000			
UNUSEABLE RESERVES (DEPRECIATION RESERVES)	66,860		66,860	66,860		0	0	0	0	66,860			see Table B
ALLOCATED RESERVES	174,720		174,720	174,720		14,429	0	0	0	160,291			see Table C
UNALLOCATED RESERVES	63,304	61,760	125,064	125,064						125,064			
HOLIDAY PAY PROVISION	-92,180		-92,180	-92,180						-92,180			
TOTAL UNRESTRICTED RESERVES	506,344	61,760	568,104	568,104	0	14,429	0	0	0	553,675			
RESTRICTED RESERVES			153,832			(9,128)				162,960			
PENSION RESERVE			(3,607,000)							(3,607,000)			
TOTAL RESERVES			(2,885,064)							(2,890,365)			

TABLE B – Unuseable Reserves

UNUSEABLE RESERVES	2016/17 b/f	2016/17 SURPLUS	BALANCE 31 March 2017	REVISED BALANCE	PROPOSED DRAWDOWN	Q1	Q2	Q3	Q4	BALANCE	APPROVAL	STATUS	NOTES
Libraries Fit Out - Mauchline	6,220		6,220	6,220						6,220	14 July 2015 Board	Ongoing	Works complete - amount to be drawn down at year end for depreciation. 5 years from 2015/16
Annanhill Golf Course - Staff Welfare Facilities	29,310		29,310	29,310						29,310	19 August 2014 Board	Ongoing	Installation now complete. Depreciation 5 years from 2016/17
Annanhill Golf Course - Maintenance Equipment	24,420		24,420	24,420						24,420	14 July 2015 Board, updated 13 Oct 2015	Ongoing	Fairways machine now in use. Will be drawn down at year end to cover depreciation. 5 years from 2015/16.
Homewords Van	6,910		6,910	6,910						6,910	7 June 2016 Board	Ongoing	Homewords Van delivered - amount to be drawn down at year end for depreciation. Depreciation 5 years from 2016/17
TOTAL UNUSEABLE RESERVES	66,860	0	66,860	66,860	0	0	0	0	0	66,860			

TABLE C – Allocated Reserves Analysis

ALLOCATED RESERVES	2016/17 b/f	2016/17 SURPLUS	BALANCE 31 March 2017	REVISED BALANCE	PROPOSED DRAWDOWN	Q1	Q2	Q3	Q4	BALANCE	APPROVAL	STATUS	NOTES
Marketing & Development Staff	42,630		42,630	42,630		8,595				34,035	14 July 2015 Board, updated 1 March 2016 Board	Ongoing	Visual Communications Assistant - Initial 12 months, extended to 18 months; Marketing Co-ordinator (Sport) for 18 months. Redesignate £25k from Marketing Co-ordinator (Sport) to Website Development.
Libraries Fit Out	90,000		90,000	90,000						90,000	14 July 2015 Board	Ongoing	Dick Institute initially £40k + further £40k, Newmilns £10k, Dick Institute due to commence 2017
Sport & CV Saffing	11,500		11,500	11,500		5,104				6,396	1 March 2016 Board	Ongoing	Co-ordinator for 12 months
Annanhill Golf Course - 4th Green	20,000		20,000	20,000						20,000	14 July 2015 Board	Ongoing	Course design and alterations under consideration. Required for 2017/18
Homewords Van Balance	2,500		2,500	2,500						2,500		Ongoing	Redesignated to promotion of new Mobile Libraries
Annanhill Golf Course - Staff Welfare Facilities Balance	7,360		7,360	7,360						7,360		Ongoing	Redesignated to ongoing management arrangements of temporary facilities within Sport & CV
People & Finance Administration Resources	730		730	730		730				0	14 July 2015 Board	Complete	Will be used to support creation of 2 temp Clerical post, who are now in post
TOTAL ALLOCATED RESERVES	174,720	0	174,720	174,720	0	14,429	0	0	0	160,291			

TABLE D – Items for Designation

UNALLOCATED RESERVES	63,304
SURPLUS 2016/17	61,760
REF Award received	10,000
TOTAL UNALLOCATED RESERVES	135,064
Items for Designation	
Training Funds for 2017/18	10,000
PFS Equipment - Software Contactless	10,000
Sport & CV Temp Post	10,000
Youth Theatre Shortfall	15,000
TOTAL	45,000
REVISED UNALLOCATED RESERVES	90,064

GENERAL PROJECTS

General Projects are multi-annual projects involving funding from external partners. These projects are not included in the Financial Monitoring reports.

Project	Partners	Balance b/f 01.04.17	Balance at 30.06.17	Expected Completion Date
Textile Team	Donations	(£771)	(£771)	Ongoing
Creative Place	Creative Scotland/Centerstage/Town Centre Management	(£24,571)	(£24,571)	Mar 2018
Ayrshire Libraries Forum	North Ayrshire Council/South Ayrshire Council/East Ayrshire Council	(£4,426)	(£4,416)	Ongoing
Wi-Fi	SLIC	(£11,500)	(£11,500)	Aug 2017
Irvine Valley Trails	Renewable Energy Fund	(£59,614)	(£59,614)	Mar 2019
The McKie Collection	Museum Gallery Scotland	(£2,847)	(£2,765)	Jul 2018
Make Some Noise	Creative Scotland	(£17,529)	(£15,359)	Sep 2018
GLAIF 16/17	Bord Na Gaidhlig	(£2,998)	(£2,500)	Dec 2017
I AM HERE	Creative Scotland	(£11,027)	(£1,784)	Jul 2017
Kilmarnock Green Infrastructure	Transport Scotland / Scottish Natural Heritage	(£15,000)	(£15,000)	Mar 2018
River Ayr Way Challenge	Awards For All	(£1,549)	(£1,549)	Ongoing
Wild About the Farm	Groundwork UK (Tesco Bags of Help Scheme)	(£2,000)	(£2,000)	Jan 2018
Bat Bothy	Groundwork UK (Tesco Bags of Help Scheme)	£0	(£2,000)	Mar 2018
Traditional Rural Skills	HLF	£0	(£10,000)	Jul 2018
Growing Memories	Awards for All	£0	(£9,903)	Sept 2018

Textile Team is a team of volunteers that were originally funded by HLF to carry out restoration and repair of textiles. The remaining funding supports the group to continue with its work.

Creative Place is funded from Creative Scotland to bring high quality events and exhibitions to Kilmarnock, supporting regeneration and tourism. This budget will be used to enhance the exhibition programming at The Dick Institute in 2017 with a premier of newly commissioned work by Turner nominated Scottish artist Nathan Coley.

Ayrshire Libraries Forum is a network partnership of the three Ayrshire councils, Ayrshire NHS, school, prison and higher education libraries to be used towards the upkeep of Ayrshire Working Lives website.

WiFi - additional £11,500 has been awarded from SLIC to complete our library Wifi rollout across our part-time libraries not covered in Phase 1 of project, including Newmilns, Bellfied and Drongan.

Received funding of £162,000 from the Renewable Energy Fund to appoint a project officer to implement the Irvine Valley Trails Project over a 3 year period.

The McKie Collection funded by Museum Galleries Scotland to support the digitisation of the McKie collection. A new post will be appointed for 18 months to deliver the project.

Make Some Noise is a music project funded by Creative Scotland and aimed at young people in a foster, looked-after, kinship or young caring environment and designed to help build self-esteem and provide a range of creative learning opportunities.

Gaidhlig Gailearaidhean at the Dick Institute is a new set of visual art workshops led in Gaelic, and funded by Bòrd Na Gaidhlig

I AM HERE is a major retrospective exhibition of European studio jewellery from the Crafts Council in London. The Dick Institute is the only Scottish venue to host the exhibition, and it is funded by Creative Scotland. The significant engagement programme with 600 Primary 7 pupils, is developed and delivered in partnership with the National Museum of Scotland.

Kilmarnock Green Infrastructure Project has received a funding package of £50,000 to design and development stage of the 18 mile cycle route in and around Kilmarnock. A project officer is being recruited for 1 year to take this forward. The initial £15,000 has been received from East Ayrshire Council's Parks Development Fund with the outstanding amount being confirmed from the Central Scotland Green Network Fund.

Following the completion of the Countryside Festival in 2015, there was an outstanding balance of £1,549 from the Awards for All grant. Awards for All have agreed that this money can be retained and used as part of the funding package for the upgraded River Ayr Way Signage and Interpretation project. This is scheduled for completion in 2017/18.

As part of a public vote, Wild About the Farm has received £2,000 from the Tesco Bags of Help. This grant will be used to introduce hedges, lades and reed beds into the Urban Farm at Dean Castle Country Park. This work will be carried out with volunteers and students from Ayrshire College.

The Bat Bothy Project has secured £2000 through the Tesco Bags of Help scheme. Working with Xchange Scotland, this unique facility to encourage roosting and hibernating bats with the Country Park will be built by volunteers from across Europe.

As part of the Year of History, heritage and Archaeology, a grant of £10,000 was secured from the Heritage Lottery Fund. This grant will be used to create 2 volunteer apprenticeships, provide a range of rural skills training for volunteers and to purchase tools and equipment to enable traditional rural skills to be carried out at the Country Park.

£9903 has been awarded to East Ayrshire Leisure to develop a remote volunteering project in partnership with Alzheimer's Scotland. This project will provide all the equipment necessary for people suffering from dementia to grow wildflowers within their own homes. These will then be used to create a wildflower meadow at the Country Park. A celebration day will be organised in Summer 2018 where all volunteers and their families will be invited to a tea party at the Country Park.



EXTERNAL FUNDING (APRIL - JUNE 2017)

EXTERNAL FUNDING APPROVED APPLICATIONS

(* denotes funding not available to East Ayrshire Council)

Section	Name of Funding Provider and Project	Value of Funding/Support	Received in 2017/18
Cultural	Tesco Bags of Help - WWI Memorial Artwork (Application approved, final value determined by public vote)	£1,000-£4,000	£0
Countryside	Awards for All - Growing Memories	£9,903	£9,903
Countryside	Cashback for Communities - Youthlink	£1,000	£0
TOTAL		£10,903	£9,903

EXTERNAL FUNDING DECLINED APPLICATIONS

Section	Name of Funding Provider and Project	Value of Funding/Support	Comments
Sports	Comic Relief - Sport & Physical Activity Coordinator (Female Participation)	£89,000	Declined due to highly competitive fund.
Cultural	SLIC - Make it Now!	£12,750	Application declined as it required more detail as to library input.
TOTAL		£101,750	



OTHER RELEVANT UPDATES

Insurance Claims

Public Liability Claims, 1 claim has been concluded; this was denied. There are currently no live claims for East Ayrshire Leisure.

Employers Liability Claim, 1 claim was received; this is ongoing. No other claims are outstanding.



PERFORMANCE SCORECARD

East Ayrshire Leisure Trust – EPMS Quarterly Indicators – Key RED (REQUIRES INTERVENTION) AMBER (WITHIN TOLERANCE) GREEN (POSITIVE PERFORMANCE)

	Indicator	2016/17 Figure	2017/18 Target	Intervention rate	Q1	Actual	Q2	Actual	Q3	Actual	Q4	Actual	2017/18 Actual	Comments
1	East Ayrshire Leisure Trust: Total Income	6,998,934	6,521,280	10%	1,639,227	1,577,260	1,496,458		1,714,817		1,670,778			Variances on Income are to be expected due to cyclical fluctuations, however income is still projecting to 6,520,630
2	East Ayrshire Leisure Trust: Total Expenditure	7,355,824	6,647,240	10%	1,390,119	1,239,764	1,803,877		1,520,793		1,932,451			Variances on Expenditure are to be expected due to cyclical fluctuations, however expenditure is still projecting to 6,661,590
3	Core Services Customer Visits: Culture	523,236	516,072	10%	120,111	122,310	122,541		153,210		120,210			Projection target 17/18 reduced due to closure of 2 libraries and one museum. Performance Q1 increases by 2%
4	Core Services Customer Visits: Sport and Community Venues	812,854	731,734	10%	190,250	189,471	160,981		182,935		197,568			Reduction in 2017/2018 target accounts for the transfer of Golf to Countryside Services and reduced facility remit as a result of CAT.

	Indicator	2016/17 Figure	2017/18 Target	Inter- vention rate	Q1	Actual	Q2	Actual	Q3	Actual	Q4	Actual	2017/18 Actual	Comments
5	Core Services Customer Visits: Countryside	1,128,868	625,093	10%	58,207	54,996	76,255		280,250		210,381			<p>Target for 2017/18 has been reduced to take account of planned works at Annanhill Golf Course, the closure of Doon Valley Golf Course and the delayed development works at Dean Castle Country Park. The Country Park is scheduled to be reopened in October 2017.</p> <p>Q1 figures are within tolerance but show a slight decline on projections. This could be due to planned disruption at Annanhill and lack of maintenance on the South Ayrshire side of the River Ayr Way.</p>
6	Core Services Customer Visits: Future Museum (Virtual Service)	256,862	256,862	10%	60,831	88,754	64,479		58,121		73,431			<p>Performance Q1 shows a 32% increase due to collection promotion work around Burns and Castle collections.</p>

	Indicator	2016/17 Figure	2017/18 Target	Inter- vention rate	Q1	Actual	Q2	Actual	Q3	Actual	Q4	Actual	2017/18 Actual	Comments
7	Core Services Customer Visits: eastayrshirelei sure.com (Virtual Service)	305,389	303,522	10%	70,537	57,533	81,481		84,161		67,343			Digital Marketing Officer left during this period resulting in a decrease in online activity. We are currently reviewing the website to increase usability.
8	East Ayrshire Leisure Trust: Average days lost per employee	8.45 days	8 days	Over 2 days	2 days	3.37 days	2 days		2 days		2 days			All employees are managed in accordance with East Ayrshire Leisure's Sickness Absence Management. The increase in absence is primarily due to long term absence.



RISK REGISTER

No.	Risk	Strategic Objective	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
1	There will be a 20% reduction in funding received from East Ayrshire Council, resulting in a reduction in service provision.	1,2,3,4	Chief Executive	4	4	16 RISK APPETITE: CAUTIOUS (Compliance)	HIGH	<ul style="list-style-type: none"> • Communication with East Ayrshire Council allowing forward planning to ensure that service provision meets the requirements of the main funding provider. • Best Value Review Implementation • Role of Shadow Implementation Board • PR; communications with staff and customers
2	There is a risk of not being able to maintain high quality services because of a lack of funding, resulting in a failure to invest, loss of staff, a reduction in staff commitment and damage to East Ayrshire Leisure's reputation.	1,2,3,4	All Senior Manager	4	3	12 RISK APPETITE: OPEN (Reputation)	MEDIUM	<ul style="list-style-type: none"> • Business Planning • Positive Public Relations • Equipment Replacement policy • Continued dialogue with Council • Employee recognition scheme • EAGER - ongoing training and development of staff
3	There is a risk partners and external stakeholders do not see East Ayrshire Leisure as a partner of choice because of a lack of resources invested in partnership activity, resulting in a failure to deliver Business Plan targets and the loss of external funding.	1,2,3,4	All Senior Managers	3	3	9 RISK APPETITE: OPEN (Reputation)	LOW	<ul style="list-style-type: none"> • Service reviews • Positive Public Relations • Service level agreements/Contracts

No.	Risk	Strategic Objective	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
4	There is a risk that buildings are not at the standard required or operating efficiently in terms of environmental sustainability due to a lack of capital investment or maintenance, resulting in a reduction in facilities, loss of income, the inability to market services, inability to respond to impacts of climate change or weather and the loss of services.	1,2,3,4	All Senior Managers	3	4	12 RISK APPETITE: OPEN (Operation)	MEDIUM	<ul style="list-style-type: none"> Regular communication with the Council Business Continuity Plan Regular Workplace inspections and reviews Fire Risk Assessments Established repairs reporting system Proposed planned preventative maintenance programme Capital Improvement Plan Environmental Management, Monitoring and reporting
5	There is a risk that East Ayrshire Leisure does not take commercial opportunities because staff are not enable to identify and take these opportunities, resulting in lost revenue streams, perceptions of poor service and the failure to be aligned with market demands.	1,2,3,4	All Senior Managers	2	3	6 RISK APPETITE: OPEN (Financial)	LOW	<ul style="list-style-type: none"> Attendance at Events Recruitment and Selection procedure EAGER reviews Training and development programme

No.	Risk	Strategic Objective	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
6	There is a risk that East Ayrshire Leisure does not have the right people with the right skills in the right places because of the failure to adapt/train existing staff, not recruiting the right people and not motivating its workforce. This would result in poor services, lack of customer engagement, failure to cross-sell and a loss of income.	1,2,3,4	All Senior Managers	3	2	6 RISK APPETITE: OPEN (Operation)	LOW	<ul style="list-style-type: none"> • Training and development • Ongoing review of Training matrices • Induction Process • Eager Reviews • Recruitment and selection procedure • Effective communication with staff
7	There is a risk that East Ayrshire Leisure will not comply with legislation standards and fail to meet the requirements of Health & Safety, Data Protection, OSCR, VAT etc.		All Senior Managers	2	4	8 RISK APPETITE: CAUTIOUS (Compliance)	MEDIUM	<ul style="list-style-type: none"> • Dedicated Health & Safety Officer • Partnerships Working Groups • Service Level Agreement • Support from East Ayrshire Council

Risk Register

East Ayrshire Leisure has had a Risk Register in place since its inception in July 2013. However, after consultation with key partners it was decided that a review was necessary to ensure the risks within it were current and truly reflected the Trusts present status.

To enable the Trust to review and develop a more robust Risk Register a seminar was delivered by Scott-Moncrieff, the Board and Senior Management team were present and their views were taken on board.

This seminar produced the overall perceptions of those present and the type of risk in each area of business can be seen below:

- East Ayrshire Leisure is **open** to reputational risk.
- East Ayrshire Leisure is **open** to political risk.
- East Ayrshire Leisure is **open** about financial risk
- East Ayrshire Leisure is **cautious** about compliance risk.
- East Ayrshire Leisure is **open** to operational risk.

7 risks are identified in East Ayrshire Leisure's Risk Register. These can be viewed on the Risk Register Overview Document.

Risk 1 is viewed as a compliance risk and is therefore scored using a Cautious Risk matrix.

Risk 2 is viewed as a reputational risk and is therefore scored using an Open Risk matrix.

Risk 3 is viewed as a reputational risk and is therefore scored using an Open Risk matrix.

Risk 4 is viewed as an operational risk and is therefore scored using an Open Risk matrix.

Risk 5 is viewed as a financial risk and is therefore scored using an Open Risk matrix.

Risk 6 is viewed as an operational risk and is therefore scored using an Open Risk matrix.

Risk 7 is viewed as a compliance risk and is therefore scored using a Cautious Risk matrix.

Therefore there are two distinct Risk Matrices used for scoring each risk on East Ayrshire Leisure's Risk Register these are:

The Open Risk Matrix

Likelihood	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
	Impact				

The Cautious Risk Matrix

Likelihood	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
	Impact				

Each risk is scored from 5 to 1 depending on likelihood and impact. For example, if something is very likely to happen it will score 5, whilst if the impact is very low it will score 1. Thereafter, the scores are multiplied to produce an overall risk rating. The score is then compared against the table in the associated Risk Matrix to indicate if it is a high, medium or low risk.

The scores and the Risk Matrix used for each risk can be seen in the table below:

Risk Area	Risk Matrix	Likelihood	Impact	Total	Risk Evaluation
1.	Cautious	4	4	16	High
2.	Open	4	3	12	Medium
3.	Open	3	3	9	Low
4.	Open	3	4	12	Medium
5.	Open	2	3	6	Low
6.	Open	3	2	6	Low
7.	Cautious	2	4	8	Medium

The justification for each risk and how they were scored can be viewed below:

Risk Area 1.

This risk was viewed as a compliant risk as East Ayrshire Leisure has to operate within the financial parameters that on the whole are decided by the Council. It has been well documented that the Trust will have to make savings over the period and this will have a significant impact on the current venues we manage.

Risk Area 2.

This risk was viewed as an operational risk a reduction in available finance's and continued savings may impact on the quality of services the Trust provides.

Risk Area 3.

This risk was viewed as reputational; however the likelihood of it having a severe impact on the relationship we have with our partners is considered low as we have strong links with them and are able to adapt and negotiate change.

Risk Area 4.

This area is viewed as operational risk as an inability to maintain buildings can have a significant effect on the provision of service. This has occurred in a few cases like, St Josephs SGP and the problem with loose tiles in swimming pools.

Risk Area 5.

This area was viewed as a financial risk, but the Trust will take opportunities to increase income as opportunities arise, and therefore, have the ability to adjust as required.

Risk Area 6.

This area is viewed as an operational risk and the impact of this is low as the Trust has systems in place to ensure the ongoing demands of provision can be met.

Risk Area 7.

This was viewed as a compliance risk as the Trust must adhere to statutory requirements. Although, the Trust has many controls in place and the likelihood of a failure is low however the repercussions could have a significant impact.

CUSTOMER & EMPLOYEE SATISFACTION SURVEYS

Date: 21 August 2017

Agenda Item: 6

Report by: Dianne McGregor, Marketing & Development Manager

Summary

The purpose of this report is to update Trustees on the Customer and Employee Satisfaction Survey which was carried out early 2017 to establish a baseline for the Business Plan 2016-19 and to consider the outcomes and Action Plan themes.

I BACKGROUND

- 1.1 Market research is a core element of the work carried out by the Marketing & Development Team. As part of our ongoing commitment to identifying and satisfying the needs of customers we conducted a programme of research with users of our facilities to assess the frequency of use and satisfaction with the range of services and facilities we provide.
- 1.2 East Ayrshire Leisure's Business Plan 2016-19 also identifies our commitment to becoming an 'Employer of Choice' and recognises the need for continuous improvement of the organisation and to engage our employees in this process. An understanding of employee views on a range of matters relating to the organisation is an important element of this and we have made the commitment to undertake regular employee surveys.
- 1.3 We worked with Market Research consultants, IBP Strategy and Research, to establish baseline surveys for 2016-17 of both service users and employees.
- 1.4 Our Training & Development Officer also conducted a series of staff consultation exercises to gauge opinion on the culture of the organisation. The themes from this consultation mirror those of the Employee Satisfaction Survey and are taken into consideration within our Action Plan.

2 OBJECTIVES

- 2.1 Within the Customer Satisfaction Survey, feedback was gathered relating to the following themes:
 - Awareness of East Ayrshire Leisure's corporate image and the services and facilities it provides
 - Frequency of use of sports venues and ratings for aspects of the services and facilities provided at these venues
 - Frequency of use of community venues and ratings for aspects of the services and facilities provided at these venues
 - Frequency of use of countryside services and ratings for aspects of the services and facilities provided at these venues
 - Frequency of use of cultural services and ratings for aspects of the services and facilities provided at these venues

- Overall satisfaction with the services and facilities provided by East Ayrshire Leisure
- Perception of East Ayrshire Leisure, specifically in relation to the impact it has overall on East Ayrshire
- Likelihood of recommending East Ayrshire Leisure generally and as a provider of sports venues, community venues, countryside services and cultural services.

2.2 Within the Employee Satisfaction Survey, the following specific themes were investigated:

- Employees' perceptions of issues relating to their job
- Employees' views on issues related to their immediate team
- Views on the support provided to employees
- Specifically, views on aspects of training and development
- Perception of Health and Safety issues within the organisation
- Overall views of the organisation and the demonstration of its core values

3 METHODOLOGY

- 3.1 Questionnaires, addressing the above issues, were produced by IBP together with East Ayrshire Leisure. The Customer Satisfaction survey was carried out on a face-to-face basis at a broad range of East Ayrshire Leisure facilities during February and March 2017. A total of 900 face-to-face interviews were completed in this way. In addition, the survey was made available online, through our website and social media. A further 54 responses were received in this way.
- 3.2 The primary method of completion for the Employee Satisfaction Survey was online. The survey was issued to 337 employees for whom email addresses were available. In total, 173 employees responded, representing a response rate of 51%.
- 3.3 For a small number of employees, email addresses were not available and in these cases a hard-copy survey was issued by post to the respondent's address. 33 invitations were issued in this way, of whom 2 responded, representing a response rate of 6%. It is understood that this group comprised primarily of bank register staff.

4 RESULTS

- 4.1 Detailed reports were collated for both surveys, analysing the results in relation to each of the themes outlined above. Data tables breaking down responses per service area were also provided alongside listings of the responses to open-ended questions. Brief conclusions were provided and brought together into a Summary of Key Findings (see Appendix I).
- 4.2 Results will also be presented in a report using infographics and these will be used to provide customers and employees with the key findings.

5 ACTION PLANS

- 5.1 IBP Research & Strategy worked with SMT to identify key themes from survey results. These themes underpin a series of desired outcomes and resultant Action Plans. The outcomes we wish to achieve through Customer Satisfaction are:
- That there is a good level of brand awareness of East Ayrshire Leisure

- That there is widespread awareness of the facilities and services provided by East Ayrshire Leisure
- That there is widespread awareness of the status of East Ayrshire Leisure
- That there is a continued high level of satisfaction with a range of facilities and types of facility within East Ayrshire
- Specifically, that a high level of satisfaction is achieved for all key facilities
- That East Ayrshire Leisure continues to make a positive impact across a range of areas
- That service users would recommend East Ayrshire Leisure's services

Outcomes we wish to achieve through Employee Satisfaction:

- That employees feel that the work they do is valued by East Ayrshire Leisure
- That there is effective communication with employees
- That there is effective process for supporting employee development
- That poor performance is dealt with effectively
- That employees believe the organisation's core values are exhibited all or most of the time
- That employees would recommend East Ayrshire Leisure as an employer

5.2 Action Plans will be reviewed annually with progress monitored quarterly, by SMT.

Recommendation/s:

It is recommended that the Performance and Audit Sub-Committee:

- i. Notes the findings of the Customer and Employee Satisfaction Surveys and the proposed themes for Action Plan; and
- ii. Otherwise note the content of this report.

Signature:



Designation: Marketing & Development Manager

Date: 10 August 2017

CUSTOMER SATISFACTION - SUMMARY OF KEY FINDINGS

RESPONDENT PROFILE

56% of respondents were female and 44% were male; the sample was evenly split between those over the age of 45 and those under the age of 45.

A small minority of respondents (13%) said that they or a member of their household had a disability.

Most commonly, respondents were either employed or self-employed (58%) or retired (20%).

The profile of respondents by ethnic origin shows that the vast majority (98%) were of White ethnic origin.

AWARENESS

The majority of respondents said that they recollected seeing the East Ayrshire Leisure logo before taking part in the survey (69%) and most commonly respondents recollected seeing the logo at venues and facilities, on leaflets and posters and on staff uniforms and online.

31% of respondents did not recollect seeing the East Ayrshire Leisure logo before taking part in the survey. Reactions to the logo were mixed with many respondents viewing it positively and many also commenting negatively.

54% of respondents said that they recollected seeing the East Ayrshire Leisure publication "The Guide" before taking part in the survey and most commonly respondents recollected seeing the publication at venues and facilities or at home where they get it delivered.

Agreement with a range of statements relating to East Ayrshire Leisure is high in relation to the statements: "it provides sports and fitness facilities" (94%), "it provides arts / museum facilities and activities" (90%), "it runs libraries" (90%) and "it provides performing arts facilities and activities" (87%). However, agreement is significantly lower by comparison in relation to the statement "it is a not-for-profit organisation" (37%), although it should be noted that the majority of respondents said that they did not know (61%) rather than disagreeing with the statement (2%).

SPORTS VENUES

The sports venue that respondents most commonly used was the Grange Leisure Centre with 22% of respondents saying they use it at least once a week or a few times a month; this was followed by St Joseph's (14% use at least once a week or a few times a month), Hunter Fitness Suite (13%), Ayrshire Athletics Arena (12%) and Loudoun Leisure Centre (12%).

Ratings for each sports venue are high amongst those that have used each sports venue, particularly in relation to Ayrshire Athletics Arena (100%, rate as very good or good) and Hunter Fitness Suite (99%). All other venues achieve a positive rating of 94% or higher, with the exception of Annanhill Golf Course which achieves a positive rating of 81% and a poor or very poor rating of 15%.

Aspects of the services and facilities provided at sports venues are rated positively by the majority, particularly in relation to the quality of staff (95%, rate as very good or good), the range of facilities

available (92%), the quality of equipment (92%) and the quality of buildings (90%). However, ratings are lower by comparison in relation to the extent to which services and facilities are publicised (71%), opening hours (83%), cost of accessing services and facilities (85%) and the programme of activities made available (87%).

In assessing the likelihood that respondents will recommend East Ayrshire Leisure as a provider of sports venues on a scale of 1 to 10 where 1 is “not at all likely” and 10 is “extremely likely” the net promoter score (i.e. the percentage of “promoters” providing a rating of 9 or 10 less the percentage of “detractors” providing a rating of 1 to 6) was +40%.

COMMUNITY VENUES

The community venues that respondents most commonly said that they used were Auchinleck Boswell Centre with 4% of respondents saying they use it at least once a week or a few times a month, followed by Stewarton Area Centre (3% use at least once a week or a few times a month). These figures reflect the more “local” nature of such venues.

Ratings for each community venue are high amongst those that have used each community venue, particularly in relation to Galston Community Centre (100%, rate as very good or good) and Auchinleck Boswell Centre (98%). All other venues achieve a positive rating of 90% or higher, with the exception of various “other” community venues which achieve a positive rating of 84% and a poor or very poor rating of 8%.

Aspects of the services and facilities provided at community venues are rated positively by the majority, particularly in relation to the quality of staff (96%, rate as very good or good), the quality of buildings (93%), the range of facilities available (92%) and the quality of equipment (90%). However, ratings are lower by comparison in relation to the extent to which services and facilities are publicised (72%), opening hours (81%), the programme of activities made available (82%) and the cost of accessing services and facilities (88%).

In assessing the likelihood that respondents will recommend East Ayrshire Leisure as a provider of community venues on a scale of 1 to 10 where 1 is “not at all likely” and 10 is “extremely likely” the net promoter score (i.e. the percentage of “promoters” providing a rating of 9 or 10 less the percentage of “detractors” providing a rating of 1 to 6) was +1%.

COUNTRYSIDE SERVICES

A majority of respondents are users of Dean Castle Country Park (81%), footpath networks across East Ayrshire (64%) and the River Ayr Way (55%). However, comparatively fewer use these outdoor locations on a very common basis (i.e. at least once a week or a few times a month). The most commonly used outdoor locations are Dean Castle Country Park with 21% of respondents saying they use it at least once a week or a few times a month, followed by footpath networks across East Ayrshire (13% use at least once a week or a few times a month).

Ratings for each outdoor location are high amongst those that have used each outdoor location, particularly in relation to the River Ayr Way (97%, rate as very good or good) and the footpath network across East Ayrshire (96%). Dean Castle Country Park achieves a positive rating of 93% and “other outdoor locations” achieves a positive rating of 92%.

Aspects of the services and facilities provided at outdoor locations are rated positively by the majority, particularly in relation to the range of outdoor locations available (95%, rate as very good or good) and the quality of the locations (93%). Ratings are also high in relation to the cost of accessing services and facilities (85%) and opening hours (82%). However, ratings are lower by comparison in relation to the extent to which these outdoor locations are publicised (57%), the quality of staff (69%) and the programme of activities made available (70%).

In assessing the likelihood that respondents will recommend East Ayrshire Leisure as a provider of countryside services on a scale of 1 to 10 where 1 is “not at all likely” and 10 is “extremely likely” the net promoter score (i.e. the percentage of “promoters” providing a rating of 9 or 10 less the percentage of “detractors” providing a rating of 1 to 6) was +30%.

CULTURAL SERVICES

The majority of respondents are users of the Palace Theatre and Grand Hall Complex (72%), the Dick Institute (67%) and Dean Castle (62%). However, comparatively fewer use these facilities on a very common basis (i.e. at least once a week or a few times a month). The most commonly used facility is the Dick Institute with 18% of respondents saying they use it at least once a week or a few times a month while other services and facilities are used at least once a week or a few times a month by 5% or fewer respondents.

Ratings for each cultural facility are high amongst those that have used each cultural facility, particularly in relation to Cumnock Town Hall (100%, rate as very good or good), Burns House Museum and Library (99%), Cumnock Library (99%), Auchinleck Library (99%) and the Baird Institute (99%). All other services and facilities achieve a positive rating of 92% or higher.

Aspects of the services and facilities provided at cultural facilities are rated positively by the majority, particularly in relation to the quality of facilities (96%, rate as very good or good), the range of cultural facilities available (96%) and the quality of staff (95%). However, ratings are slightly lower by comparison in relation to the extent to which these cultural facilities are publicised (72%), opening hours (77%), the programme of activities made available (83%) and the cost of accessing services and facilities.

In assessing the likelihood that respondents will recommend East Ayrshire Leisure as a provider of cultural facilities on a scale of 1 to 10 where 1 is “not at all likely” and 10 is “extremely likely” the net promoter score (i.e. the percentage of “promoters” providing a rating of 9 or 10 less the percentage of “detractors” providing a rating of 1 to 6) was +36%.

OVERALL VIEWS OF EAST AYRSHIRE LEISURE

Overall, there is majority satisfaction with the range of services and facilities provided by East Ayrshire Leisure, particularly in relation to museums and galleries (94%) and theatres or other locations for the performing arts (94%). Levels of satisfaction are also high in relation to parks and open spaces (93%), sports and leisure facilities (91%) and libraries (89%).

The vast majority of respondents strongly agree or agree that “East Ayrshire Leisure provides high quality services and facilities” (95%), “East Ayrshire Leisure enhances the tourism offer in East Ayrshire” (91%), “East Ayrshire Leisure facilities are well used” (90%) and “East Ayrshire Leisure promotes equality, access and diversity across its programmes” (89%).

Levels of agreement are also high in relation to a range of statements about the impact that East Ayrshire Leisure overall has on East Ayrshire, particularly in relation to the statements “East Ayrshire Leisure does a good job in advancing the arts, heritage and culture within East Ayrshire” (92% strongly agree or agree), “East Ayrshire Leisure does a good job in advancing public participation in sport within East Ayrshire” (91%) and “East Ayrshire Leisure does a good job in advancing physical health within East Ayrshire” (91%). By comparison, levels of agreement with the statement “East Ayrshire Leisure does a good job in advancing mental health within East Ayrshire” are notably lower (77%), although it should be noted that a significant minority (20%) provided a neutral response to this statement.

The vast majority of respondents would associate a range of words and phrases with East Ayrshire Leisure either “to a slight extent”, “to some extent” or “to a significant extent”. These are: “collaborative and creative” (97%); “innovative and inspirational” (97%); “proactive and professional” (97%); “open and honest” (97%); “passionate and proud” (92%). The words and phrases respondents most commonly associate with East Ayrshire Leisure “to a significant extent” are “proactive and professional” (44%) and “innovative and inspirational” (42%).

In assessing the likelihood that respondents will recommend East Ayrshire Leisure overall on a scale of 1 to 10 where 1 is “not at all likely” and 10 is “extremely likely” the net promoter score (i.e. the percentage of “promoters” providing a rating of 9 or 10 less the percentage of “detractors” providing a rating of 1 to 6) was +32%.

CONCLUSIONS

Brand awareness of East Ayrshire leisure is reasonably high, with 69% of respondents having previously seen the organisation’s logo; this logo is generally seen as clear and eye catching. 54% of people say they have seen “The Guide”; typically, this was either at specific venues or delivered to respondents’ homes.

There is generally a good understanding of the range of services that East Ayrshire Leisure delivers. However, there is a much poorer understanding of the organisation’s status, with 72% considering it to be part of East Ayrshire Council and only 37% identify it as a not-for profit organisation.

Overall ratings for specific venues amongst users of those venues within each area of operation (sports venues, community venues, countryside venues and cultural venues) are generally very positive. In the relatively rare occasions where poor ratings are ascribed to any specific venues, the extent of this, along with an indication of reasons for it, are set out herein.

Amongst respondents as a whole, the extent to which people would recommend East Ayrshire Leisure as a provider of community facilities is much more limited than it is for the other aspects of service. However, this likely reflects a lack of awareness and engagement with such facilities. Amongst actual users of these facilities, the “net promoter” score is much closer to that of the other service areas,

Positive views are also apparent about a range of service attributes pertaining to these facilities and services; typically, the lowest rated aspect of service is about the extent to which services and facilities are publicised though, even here, ratings are reasonable.

Overall, there is high satisfaction with the range of services for which East Ayrshire Leisure is responsible and the organisation is seen as making a positive impact in relation to a range of social and economic issues within East Ayrshire Leisure and as exhibiting the organisation’s core values to at least some extent (and often to a significant extent). However, the depth of agreement with

statements pertaining to these issues is sometimes limited (with people much more likely to “agree” rather than “strongly agree” with the statements put to them.

Overall, East Ayrshire Leisure achieves a positive “net promoter” score of +32%.

EMPLOYEE SATISFACTION - SUMMARY OF KEY FINDINGS

MY JOB

A significant proportion of respondents express satisfaction with most aspects of their job; for example, in relation to issues such as being treated with respect by colleagues, enjoying the work that they do, finding their job interesting and being clear about what is expected of them in their job. However, only a minority (albeit a substantial one of 48%) feel that the work that they do is valued by East Ayrshire Leisure. Key issues raised by employees in relation to this theme relate to some people feeling that they have to deliver things that go beyond their role and others feeling that their capabilities are not well-used.

MY TEAM

Employees are also generally positive about various aspects of their immediate team, usually feeling that they understand how their job fits into the aims of the wider team and that they feel part of a team working together to achieve common objectives. However, only a minority agree that their team regularly gets together for team briefings and that they are provided with regular feedback on the performance of their team within East Ayrshire Leisure. These ratings appear to reflect some occasional misgivings that some employees have around communications and connection with senior management generally.

SUPPORT

A majority of employees feel that they get the support they need from colleagues and from their line manager / supervisor. However, fewer feel that they regularly receive constructive feedback about their work. Only a minority (though, again, a substantial one of 46%) feel that managers deal effectively with poor performance when it arises. From the comments made, it is seen that employees' opinions on the support they receive can be dependent on individual line managers / supervisors with both positive and negative experiences noted. Respondents also noted that they feel that their line managers are limited in their ability at times to deal with poor performance.

TRAINING AND DEVELOPMENT

Employees are generally aware of job opportunities within East Ayrshire Leisure although ratings for a variety of issues regarding training and development are more lukewarm (for example, in relation to issues such as having the agreed training and development to do their job well, being encouraged to point out training and development opportunities and having the opportunity to put learning into practice). Only a minority (again, 46%) believe that the organisation invests appropriately in its employees' professional development.

HEALTH AND SAFETY

Health & Safety is a clear strength with, for example, most employees feeling that they know their Health & Safety responsibilities and that East Ayrshire Leisure takes Health & Safety seriously. The

great majority have undergone a Health & Safety induction and are aware of other aspects of Health & Safety support.

EAST AYRSHIRE LEISURE

A reasonable majority of employees say that they understand East Ayrshire Leisure's vision and how what they do contributes to this vision; most say that they actively speak highly of the organisation. A reasonable majority also consider that terms and conditions are fair and competitive and a slight majority consider that East Ayrshire Leisure is a positive, creative and empowering employer.

However, only a minority (39%) believe that morale is good within the organisation, with the issues most commonly cited by respondents relating to perceived low morale in East Ayrshire Leisure, dissatisfaction with wages and concern regarding management issues. Only a minority believe that the organisation's values are exhibited "all or most of the time", with a significant proportion believing that these are only exhibited "some of the time".

Overall, the things that people say they like about working in East Ayrshire Leisure relate to key themes such as colleagues and the work that people do serving the public. The areas that many would like to see improved relate to themes such as communications, connections with senior management and the opportunity to develop within the organisation.

The "net promoter score" for East Ayrshire Leisure as an employee shows a result of +11%; this figure can be used as an overall baseline against which future improvements may be measured.

CONCLUSIONS

Overall, this first employee survey shows a range of strengths in relation to people's view of their job and their immediate team, the support that they receive from their line manager, issues relating to Health & Safety, terms and conditions in general and, importantly, understanding of the organisation's vision. There are, however, challenges apparent in relation to issues such as communications and the connection that people feel with management generally (including line management and senior management). Challenges are also apparent in terms of the extent to which people feel valued by the organisation. Such issues clearly impact on morale amongst at least some staff. Specific issues are also apparent with regard to teams meeting with appropriate frequency and to people getting the feedback that they seek. Overall, people would like to see the organisation's core values more reflected in their day-to-day experience of East Ayrshire Leisure.