

KA LEISURE BOARD REPORT

Meeting	KA Leisure Board Meeting
Date/Venue	27th November 2025 – 10:15am Fullarton ConneXions, Church St, Irvine KA12 8PE
Present:	<p>Directors</p> <p>Councillor John Sweeney (Chairperson) Anne Todd Brian MacDonald Councillor Jean McClung Paul Brodie Steven Anderson</p> <p>Employees</p> <p>Malcolm McPhail (CEO) Laura Barrie (Head of Active Communities) Kirsty Jordan (Head of HR) John McMillan (GM Portal) Scott Morrison (Head of Strategic Planning and Development) Rachel Williams (Head of Projects and Revenue Management) Kyle Lewis (GM Garnock) Stephanie Napier (PA to CEO) Notes</p> <p>NAC</p> <p>Rhonda Leith – Head of Service (Connected Communities)</p> <p>Also, In Attendance for Item 4</p> <p>Brian Wright – Finance Consultant Sally Cheeney - Azets</p>

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1. Apologies

Apologies were received from Ross Glover, Lorraine Tulloch, Euan Smith and David Hammond.

2. Minutes of Meeting held on 25th September 2025

The minutes of the meeting held on 25th September 2025 were approved.

3. Matters Arising

The Chairperson requested that positive feedback be conveyed to the managers regarding the recent Director induction sessions he attended, noting that they were well organised and excellent in standard.

4. Annual Report and Accounts 2024-25

The Annual Report and Accounts 2024-2025 were presented to the Board by Brian Wright.

The general reserves position as of 31st March 2025 is £220,910; this figure includes a pension scheme deficit of £153,000, down from £172,000 in the previous year. It also includes an actuarial gain of £545,000. The investment reserves balance is £240,766 of which £235,618 remains unallocated.

An exercise was carried out in 31 March 2023 to revalue fixed assets. A revaluation reserve of £222,821 was created at this time. It was recommended that this reserve be amalgamated with the general reserve for future years.

Brian discussed in detail the notes to the accounts highlighting any significant variances, any single points of failure in finance, spreadsheet adjustments due to loss of legacy system access, the pension-related reporting anomalies, and multiple reserves; recommendations included moving to cloud accounting and simplifying reserves.

Sally Cheeney discussed the Audit Highlights Memorandum and thanked the Company for their assistance with the audit confirming they have no concerns and concluded a clean audit opinion.

A discussion was held on strengthening payment and booking policies (the introduction of paid-at-booking terms, online upfront payments, and school advance payments) and addressing member behaviours that lead to accrued debt. Discussions also covered promotion impacts on yield and capacity management through group exercise and facility changes.

The delay in finalising and distributing the accounts was discussed and it was confirmed that this resulted from a combination of system, resourcing, and audit-related challenges. These included reliance on a non-platform-based system, manual spreadsheet adjustments outside the core system, and a single point of failure in system access following staff changes, which affected continuity. Further delays arose from integrating new expenditure categories, sensitivities around

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the inclusion of SFA funds, and the need to ensure a complete set of financial statements for audit. Auditor availability and holiday periods also contributed. The Board of Directors acknowledged the issues and the Finance team confirmed that steps are being taken to strengthen controls, improve system resilience, and prevent recurrence in future reporting cycles.

The Chairperson thanked Sally Cheeney for attending the meeting and North Ayrshire Council for their continued support. He also thanked

the Financial Consultant, Finance Team, and Management for their work in producing the annual accounts and for the strong commercial income performance.

The Board of Directors:

- ▶ Agreed that the accounts would be reviewed and signed at a later date.
- ▶ Approved the amalgamation of the Revaluation Reserve into the General Reserve.

5. Business Reports

KPI Performance

Anne Todd noted that the Executive Summary was a welcome addition to the report and the Board agreed that a recommendation should be included in line with the other Board reports.

John McMillan noted that fitness attendance increased after introducing smart access (tiles and cards) and badges incentives. A discussion was held regarding the ongoing access scanning issues at building entrances, noting that queuing during peak periods is resulting in some members bypassing the scanning process. It was acknowledged that aspects of the current building design and access-control system integration are contributing to reduced entry throughput. John confirmed that options will be reviewed to improve entrance flow and scanning compliance within the older facilities.

John advised the Board that an increase in swimming lesson enquiries is expected following the pool closure and subsequent relocation. Demand will be closely monitored to assess any impacts on capacity and resourcing.

The Board of Directors noted performance across the business area.

Finance

The Board noted the financial update indicating a projected net shortfall of approximately £250,000 at the end of the financial year. It was further noted that reductions in expenditure have been implemented and are contributing to mitigating the projected deficit.

The Board of Directors noted performance across the business area.

Health, Safety and Wellbeing Report

Following discussion, it was agreed that Lisa Little would try to include benchmarking where possible within the report as although there are figures reported, there is nothing to measure this against, other than internal year on year comparisons.

Site Evacuation procedures were discussed and John McMillan confirmed that this included designated staff wearing high visibility jackets in the event of an evacuation. Lifeguard responses were praised by Directors and John detailed that staff perform regular pool head counts and that sightlines and crowding can compromise lifeguard visibility, especially within inflatable sessions, therefore continuous movement of lifeguards is required.

The Directors requested that thanks are passed on to staff who assisted with a recent incident involving a sports participant who had collapsed

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on site. Discussion followed on the Health and Safety actions report, with clarification sought on how progress against all actions is tracked and evidenced, particularly those not yet completed. While the information was noted as being available, it was agreed that improved presentation would be helpful, including the addition of clearer status updates or a tracker to show whether actions are completed, ongoing or resolved.

The Board of Directors:

- ▶ Noted the health and safety performance across the Company.
- ▶ Noted the commitment and development to staff training, health, and wellbeing.
- ▶ Noted the introduction of reflection, considerations and actions

Leisure Report

The Chairperson noted that he was impressed with the success of recent events and asked that thanks are passed on to the team.

The Board of Directors:

- ▶ Note the breadth and success of events and programmes delivered across the period, particularly those ensuring inclusion and community engagement.
- ▶ Recognise positive progress in memberships, golf, and Learn to Swim, alongside the resilience shown during ongoing facility closures.
- ▶ Endorse continued investment in programme innovation, facility improvement, and retention strategies to sustain growth and community impact.

Community Sport Report

The Chairperson thanked the team, and the Board of Directors noted performance across the business area.

Health and Wellbeing Service Report

The Chairperson thanked the team and the Board of Directors:

- ▶ Noted the strong performance and year-on-year growth across all areas of the Health & Wellbeing Service.
- ▶ Acknowledged the continued collaboration with clinical teams to improve participant pathways, strengthen continuity of care, and support integrated community provision.

People Report

Kirsty Jordan provided an update on the recent PDR rollout, advising that the process had been successful, with all manager PDRs completed to date. Some challenges were experienced in relation to scheduling; however, additional support was implemented for first-time managers to ensure the process was constructive and meaningful rather than a compliance exercise. Anne queried whether feedback had been received from staff regarding the process. Kirsty advised that emerging trends are being identified through the Eeda platform and noted that the people team would develop tailored questions to further capture employee experience.

The Board of Directors noted performance across this area of the business, including progress on engagement, wellbeing and governance, and workforce development.

6. Sub Committee Discussion

Following discussion, it was agreed that given the scope of matters overseen by the Audit Committee, it should be renamed the Audit and Finance Committee. Going forward, for good governance it was agreed that external audits should be taken to the committee for review ahead of the full Board meeting.

The Chairperson reported that the HR Committee had completed its review of the relevant policies and that Kirsty had subsequently uploaded them to the Director Portal. It was noted that, where policies overlap, there may be an opportunity in the future to link or consolidate them to improve clarity and minimise duplication.

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7. Wellbeing Review Group – Next Steps

Laura thanked the board for their time and enthusiasm in relation to the Wellbeing Proposals. Laura reported that following meetings of both subcommittees, Director sessions were held to discuss the proposed wellbeing programme. It was noted that there was strong alignment that the revised direction represented a better fit with the organisation's values and community role. Three options were presented, with general consensus emerging in support of Option Three, Elevate360, which includes monthly wellbeing updates, a structured allocation of staff time, an assumption of modest improved member retention, and access to a discounted wellbeing programme offering.

Directors discussed a range of considerations critical to successful implementation, including equity and inclusion, ensuring the offer supports the organisation's commitment to reducing inequalities and does not create unintended barriers for priority or concession groups. Discussion also covered how the proposed model would complement existing access and concession arrangements.

Operational considerations were noted, including programming logistics, capacity management across studios and peak times, demand fairness, clarity of offer, and utilisation trends. The importance of clear engagement and messaging was emphasised, to ensure value is added for existing members while remaining attractive to new customers.

Feedback from a recent member wellbeing survey was noted, with over 1,200 responses received. Early themes included demand for greater programme variety, holistic wellbeing offerings

(including mindfulness, stress management, recovery, nutrition, and weight management), increased morning class availability, and strong interest in digital content, tracking, and online support. Positive engagement was also reported from the "Know Your Numbers November" initiative across all sites.

It was confirmed that work is now progressing toward an implementation plan, with Option Three- Elevate360 to be advanced and supported by a targeted marketing and communications campaign. A January launch was identified as the preferred timeframe, aligning with seasonal member engagement patterns while also rewarding and retaining existing members. Directors will continue to be updated as the programme moves into implementation.

Laura discussed the wider organisational cultural programme which continues to underpin work on employee engagement, wellbeing and behaviours, with an emphasis on regular dialogue rather than reliance on formal reviews. Focus is being placed on engagement and wellbeing, with the Health, Safety and Wellbeing group developing a plan for the year ahead, including a formal engagement calendar. Training and compliance were discussed, including consideration of mandatory Equality, Diversity and Inclusion training. Mental health, duty of care and trauma awareness were also discussed, including recognition of changes in colleagues' wellbeing and a review of Mental Health First Aiders, an example was provided that demonstrated a wellbeing-led, psychologically safe approach in practice.

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8. 25/26 Performance Strategy/Cabinet Presentation

Minor changes to the overall strategy were noted by Scott Morrison. Scott detailed that a three-month Progress Report will be completed by next week and added as a short appendix to the strategy. A fuller strategy revision is underway and scheduled for January, informed by the finalised budget. Progress is being made on implementation planning, with a recommendations tracker to be shared shortly. It was agreed that the Board Strategy group would meet in the new year.

Scott reported that the recent Cabinet presentation was very well received, with

strong positive feedback on the strategy and its positioning within the annual report. Scott detailed that particular recognition was given to the work in addressing inequalities, support for young carers, and the organisation's commitment to CHES work. Rhonda Leith expressed appreciation for the contribution of KA Leisure and its staff to NAC's wider strategic objectives. Rhonda described the annual video as especially impactful in bringing the organisation's work and achievements to life and gave thanks to staff for their efforts in producing both the video and the annual report.

9. AOB

A discussion took place regarding the timing of Board meetings, recognising that the current weekday morning schedule may present challenges for some Directors. It was agreed that a poll would be circulated to gather views on alternative meeting times, including the option of occasional evening meetings. The next scheduled meeting on 26 February will remain at 10.00am.

The Chair recorded thanks to staff for their outstanding contribution, professionalism and enthusiasm over recent months, including positive feedback from recent site visits, and asked that this appreciation be passed on. Thanks were also extended to Directors, particularly newly appointed members, whose diverse backgrounds were noted as strengthening Board scrutiny.

10. Date of Next Meeting

The date of the next meeting is Thursday 26th February.