

LIVE BORDERS

Minutes of Extraordinary Board Meeting of Live Borders
held on Monday 27 March at 6.30pm at Live Borders Head Office and online

Present: Alison Moore (AM) (Chair), Bill White (BW), David Pye (DP) (online), Ross Gardiner (RG), Ewan Elder (EE), Pete Smith (PS), Neil Richards (NR), Keith Allan (KA), Raymond Kerr (RK), Sarah Mathieson (SM) (online)

Apologies: John Fordyce (JF), Pam Brown (PB), Tom Weatherston (TW), Graeme McMurdo (GMC)

In Attendance: Ewan Jackson (EJ), Laura Steven (LS), Sarah Simpson (SS) (minutes)

1.	Chairs Welcome/ Apologies of Absence	Actions
	The Chair welcomed all to the Extraordinary meeting of the Board.	
2.	Board Administration	
	a) Declaration of Interest: None b) Board business: None	
3.	Adoption of the Minutes of Board Meeting of 27 February 2023	
	The minutes of the Board meeting held on 27 February 2023 were approved by EE and seconded by BW.	
4.	FY 2023/24 Budget	
	<p>AM provided the Board with an update on the recent discussions with Scottish Borders Council (SBC) regarding the financial position of Live Borders. She confirmed a request for financial assistance for £330k to support the unforeseen increase in energy costs during FY22/23 plus a further £220k to meet the operating deficit at the Great Tapestry of Scotland (GTOS) for FY22/23 as per agreement between SBC and the Trust had been made. She then added a further request for financial assistance of £330k for energy costs for FY23/24 had been due to the on-going high cost of energy.</p> <p>AM summarised SBC had confirmed the requests for financial assistance for FY22/23 and the GTOS deficit for FY22/23 would be put to Council on 30 March for approval. However, although SBC recognised there was a need for further financial assistance for energy costs for FY23/24, as SBC's budget for FY23/24 had already been agreed it would not be possible to agree any request for financial assistance until later in the financial year as the source of the funding would have to be identified from the existing SBC budget. She noted SBC considered this to be a timing issue and that SBC would provide a Letter of Comfort to Live Borders to the FY23/24 Budget as well as provide assurance to the Board and Live Borders' auditors.</p> <p>AM then outlined she informed SBC she was not comfortable setting a budget which was not balanced and that should financial support not be available to support the continuing extraordinary high energy costs until a later stage, a number of temporary cost-cutting actions would have to be taken to balance the budget. She added potential cost-cutting actions had been prepared by Live Borders' senior executive team however these were not formally shared with</p>	

<p>SBC as they had not been approved by Board at the time of the meeting, nevertheless indicative examples were discussed with SBC. She noted SBC representatives were not supportive of the proposed actions as they considered the Letter of Comfort should suffice, before adding she had asked SBC to share the wording of the Letter of Comfort so she could take legal and audit advice from our advisors. She then noted a response had been received from Azets which she undertook to circulate to the Board for information.</p> <p>AM then noted the joint strategic review of the services provided by Live Borders was commencing which would impact the financial position of Live Borders going forward.</p> <p>LS presented and overview of the draft FY23/24 Budget to Board together with the options for reducing costs on a temporary basis or increasing income. In addition, she presented the forecast monthly utilisation of reserves and cashflow for FY23/24.</p> <p>Board then discussed the options and the utilisation of reserves and cashflows in details.</p>	<p>AM</p>
<p>RK asked for a review of pension arrangements to be undertaken to see if this would result in future cost savings. LS noted this would not result in any cost savings in the short-term however a review would be undertaken.</p> <p>NR noted there may be actions SBC could take that would help Live Borders such as accelerating management fee payments. He then noted SBC should be informed of some of the actions being proposed such as the reduction in book purchases and the reduction in grants paid to sports clubs.</p> <p>LS noted the additional financial support announced by the UK Government for energy costs for swimming pools was not incorporated into the FY23/24 Budget but was being held as an opportunity as the funded would be provided to the Scottish Government before being allocated to SBC.</p>	<p>LS</p>
<p>The following actions were agreed by Board:</p> <ul style="list-style-type: none"> ▪ The FY23/24 Budget was to be prepared on the basis that the General Reserve would not be required to be used; ▪ The Transformation Reserve was to be added to the utilisation of reserves analysis; ▪ The proposed actions relating to Live Borders' Establishment, the reduction in Live Borders' internal investment funding, the short-term reductions in the book fund and grants payable and the increase to the income contribution from Community Centres were to be applied to the FY23/24 Budget; ▪ The additional income over the 12% targeted increase identified by the Live Borders service leads was to be held as an opportunity and not to be included in the Base Budget for FY23/24; ▪ The timing of payments from SBC and the impact on the projected cashflow was to be reviewed; 	<p>LS</p> <p>LS</p> <p>LS</p> <p>LS</p> <p>LS</p>

