

## **The Scottish Sports Council Trust Company**

SSCT(BM)1/2022

**Company No. SC137068**

**Charity No. SC020175**

**Minutes – 03 February 2022**

Minutes of the Directors' meeting of the Scottish Sports Council Trust Company (the "**Company**") held on 3 February 2022 via conference call on Microsoft Teams.

### **Present**

Ms Jane Booth, Director ("**Ms Booth**")

Mr Mark Gaffney, Director ("**Mr Gaffney**")

Ms Kirsty Garrett, Director ("**Ms Garrett**")

Ms Kirstie Hepburn, Director ("**Ms Hepburn**")

Mr Iain Houston, Director ("**Mr Houston**")

Mr Dave Rhoney, Director ("**Mr Rhoney**")

Ms Susie Sandilands, Director ("**Ms Sandilands**")

Mr Robin Strang, Director ("**Mr Strang**")

Ms Frances Wood, Director ("**the Chair**")

### **In Attendance**

Ms Maureen Campbell, **sportscotland** Director ("**Ms Campbell**")

Mr Neville Cobb, Head of Finance and Governance ("**Mr Cobb**")

Mr Forbes Dunlop, Chief Operating Officer ("**Mr Dunlop**")

Ms Jennifer Edmonstone, Senior Legal Officer ("**Ms Edmonstone**")

Mr Barry Fleeting, Head of Centre, Inverclyde National Sports Centre ("**Mr Fleeting**")

Ms April Law-Reed, Legal Manager ("**Ms Law-Reed**")

Mr Shaun Roberts, Principal, Glenmore Lodge National Centre ("**Mr Roberts**")

Mr Simon Taaffe, Financial Controller ("**Mr Taaffe**")

### **Secretariat**

Mr Andrew Shaw, Legal Officer and incoming Company Secretary ("**Mr Shaw**")

### **Apologies**

Ms Kay Morrison, Director (“**Ms Morrison**”)

Mr Dilawer Singh MBE, Director (“**Mr Singh**”)

Ms Pam Woodman, Director (“**Ms Woodman**”)

## **Chair**

Ms Frances Wood presided as Chair (the “**Chair**”) of the meeting as per Article 18 of the Company’s Articles of Association (the “**Articles**”).

### **1. Notice, Quorum and Apologies**

The Chair reported that due notice of the meeting had been given and that a quorum was present, as per Article 34 of the Articles. Apologies were received from Ms Morrison, Mr Singh and Ms Woodman. The Chair subsequently declared the meeting open.

### **2. Interests in Proposed Transactions and Arrangements with the Company**

Each Director present confirmed that they had no direct or indirect declarations of interest to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 (the “**Act**”) and Article 40 of the Articles of Association. It was noted that the Directors were entitled to attend and vote at this meeting and to be counted in the quorum.

### **3. Incoming Company Secretary**

The Board was invited to appoint Mr Shaw, Legal Officer, as Company Secretary of the Trust Company. **THE BOARD APPROVED** the appointment of Mr Shaw as Company Secretary and Mr Shaw confirmed his consent to act in this role.

### **4. Chair – sportscotland Update**

It was noted that Ms Woodman’s directorship will end in April 2022 and that the Chair will also leave the **sportscotland** Board and the Trust Company Board at that time. The Chair recognised the contribution made to the Trust Company by Ms Woodman and informed the Board that she would write to Ms Woodman to express her thanks. The Chair also confirmed that the sportscotland Board had agreed that Ms Campbell would take over as the Trust Company Chair from April 2022.

The Chair provided an update on the key matters discussed at the **sportscotland** Board meeting.

## **5. Minutes of previous meeting**

**THE BOARD APPROVED** the minutes of the previous meeting on Thursday 11 November 2021.

## **6. National Centre Quarterly Reports**

**Mr Roberts presented to the Board in relation to Glenmore Lodge as detailed below:**

A new chief instructor is starting 27 February 2022. There are wider recruitment challenges within hospitality although it is still manageable.

Demand remains high, there are currently, 150 people on a waiting list for training and courses are all full. Glenmore Lodge appears to be behind in relation to the Omicron variant peak. Cancellation by students has been minimal (11 cancellations due to Covid). A couple of people left because of positive tests after arrival at centre. There were more cancellations due to lack of snow than Covid. The main impact Covid has had is on staff.

Equality, Diversity and Inclusion (EDI) actions are a key focus for the Centre and management are looking to engage with disadvantaged groups where possible. The avalanche service started this season's operations on 24 November 2021 and Aberdeen Met Office is assisting with training the forecasters and helping to monitor whether we need to start the service earlier in the event of early season snowfall.

**THE BOARD NOTED** the contents of Mr Roberts's report.

**Mr Fleeting presented to the Board in relation to Inverclyde as detailed below:**

Quarter 1 was not as strong as previous years, but quarters 2 and 3 picked up and it has been a good year for the business. We welcomed a range of governing bodies, including Scottish Wrestling, who we are helping with preparation for the Commonwealth Games. There has been continued residential support for governing bodies with the return to sport process. February 2022 onwards will be strong as people have started to return to

Inverclyde, clearly feeling more confident about coming back and we hosted the first family residential for North Ayrshire group.

The Adventure sports hub work is now progressing well and should be completed in the first half of 2022. Fitness members increased, breaking the 700-mark which was a great achievement. The Upper Woodland track was extended to top of the hill and local community and school groups are making use of it.

Mr Fleeting updated on the progress with Cumbrae and the local community group – it was noted that the group will decide by 31 March 2022 on how to proceed.

Some staff members have moved on with one retirement and other staff moving out into the wider sporting community, with two staff members moving to Active Schools, and another to Badminton Scotland.

Board members noted that broad public leisure sector is seeing activity stalling at 80% of pre-pandemic level, with health membership lagging behind. Two biggest issues are staffing and utility costs. They were therefore pleased that Inverclyde was performing well and noted that it was difficult to find available rooms for bookings.

**THE BOARD NOTED** the contents of Mr Fleeting's report.

**Mr Cobb provided a Finance Report for the Board as detailed below:**

Mr Cobb highlighted a good recovery in the last financial year. Inverclyde is ahead on income and expenditure is up as expected compared to the Q2 budget refresh. Glenmore Lodge is ahead on income and managing expenditure. The team is likely to achieve the Q2 budget or be slightly ahead by year end. Utilities costs will be an ongoing issue, but most of next year's energy has been purchased through a Scottish Government framework, but electric and gas costs are still likely to increase by 5%-20%.

Regarding capital funding, at the beginning of the financial year it as hard to know what would be available due to the uncertainty created by Covid. At the end of Q2 there was some available to use and this had been allocated for a number of projects at Inverclyde and Glenmore Lodge including the Adventure Sports hub at Inverclyde and the refurbishment of the South Wing at Glenmore Lodge.

**THE BOARD NOTED** the contents of Mr Cobb's report.

## **7. Business Plan:**

Mr Roberts and Mr Fleeting delivered a presentation on the 2022-23 Business Plan and Mr Cobb provided a summary of the financial investment requirement.

### **Mr Roberts presenting on Glenmore Lodge:**

- Focussed on planning, budget and recovery
- Budget is viewed in two ways: baseline view and optimistic view
- Quarter 4 will the remain greatest variant.
- Courses will have a mix of people staying at Glenmore Lodge and some staying outside the centre.

Mr Roberts detailed the following planning assumptions: positive demand will continue; a 15% increase in course price coupled with positive demand means that the market is expected to be able to support that increase.

Mr Roberts impressed the need to establish a new trading model for Glenmore Lodge next year and a more flexible customer offer must be developed as it will be key to the centre's recovery.

Mr Roberts is assuming increased costs across the board, with pressure on staffing costs and other operational costs.

Mr Roberts also discussed planning limiting factors. One of those is customers sharing with strangers in twin rooms as in autumn Glenmore Lodge may have to consider winter virus mitigation. Growth limitations include website development, recruitment and freelancer instructor engagement.

Mr Roberts discussed income, with baseline figures and optimistic figures produced. The baseline and optimistic figures are first draft and will be reviewed further. Mr Roberts also presented income, salary, investment, and other expenditure figures to demonstrate how Glenmore Lodge is tracking its recovery.

### ***Mr Houston left the meeting.***

Mr Roberts explained that the catering model is an employed model and not an agency model now. Targets and actions for next year:

- Continue to work with partners and support governing body partners

- Continue to maintain facilities, educational output and target new EDI initiatives
- Develop a new flexible model. Overall, a new flexible model is essential to recovery.

**THE BOARD NOTE** the progress to date and endorsed the actions being undertaken within Mr Roberts update.

The Chair noted the stark continuing rise in staff costs, and that it is concerning for sustaining the business in the long term. The Board discussed the financial trends and the impact of the work / investment and concluded that close monitoring of the situation was required. Mr Roberts confirmed that the work required to reposition and align Glenmore would take six months and that an update would be brought in May with a full proposal brought to the Board in August.

**Mr Fleeting presented to the Board on the Inverclyde Business Plan:**

Mr Fleeting covered planning, budget and a future look. In general, he is expecting business operations to return to normal. Mr Fleeting acknowledged that the increase in energy prices will have an impact and that some business areas will recover quicker than others.

In terms of planning, there are signs of a strong recovery for 2022-23. There is increased usage of facilities by a wider range of sports and an increase in competitive events. Mr Fleeting is expecting to return to high levels of use at Inverclyde. The Schools programme has been quiet due to restrictions and mixed guidance across the country. Late cancellations have been caused as a result and this is difficult income to recover.

Mr Fleeting displayed the Budget: 2018-19 onwards figures to the Board. He noted that former Cumrae costs are apportioned to Inverclyde. A 3% increase in staff costs along with increasing energy costs and inflation are impacting current budget projections.

In terms of a future look, managing costs, strong contract management, capacity for growth and long-term capital plans were discussed. Growth is expected in governing bodies, clubs and schools though clubs have not yet returned to previous levels of activity. Mr Fleeting also discussed the future look in relation to investing for impact, partner residentials and integrated working.

**THE BOARD NOTE** the progress to date and endorsed the actions being undertaken within Mr Fleeting's update.

The Board asked for an explanation as to the ongoing cost for Cumbrae. Mr Fleeting explained that senior management and other staff, such as the Finance manager, used to cover Cumbrae and Inverclyde. The costs that were apportioned across both centres now remain with Inverclyde. Additional costs are related to staff who have transferred from Cumbrae over to Inverclyde.

### **Mr Cobb provided a summary of the draft Trust Company investment requirement for 2022-23**

It was noted that the first draft of the Trust Company investment requirement is forecast to increase by £465k to £3,889k. Work will continue over the next couple of months to review and confirm the investment requirement as part of the **sportscotland** budget setting process which will be agreed at the **sportscotland** April 2022 Board.

An update on the **sportscotland** budget process and Trust Company 2022-23 Business Plan will be brought to the May Board.

## **8. General Discussion**

The Chair opened up an opportunity for general discussion. The Board commented that hopefully projections continue for fuller recovery back to previous levels and asked if there should be a pricing review since income is not rising in line with costs. The Chair explained there is an ongoing quest to find cost efficiencies, but more than that is required – especially when it comes to remodelling Glenmore Lodge.

The Board asked Mr Dunlop if **sportscotland** is comfortable that the direction of travel is in line with desired outcomes. Mr Dunlop explained that this is a work in progress, discussions re EDI strategy have been ongoing for over a year but more progress is required. He further explained that we need to keep looking at what is being delivered and the operational model.

## **9. Memorandum of Understand and Articles**

Mr Dunlop explained that at the December 2021 **sportscotland** board it was agreed to retain the Trust Company board but to review the articles, MOU and operations of the Trust Company.

Ms Law-Reed then discussed the MOU and proposals as to how the Trust Company board should operate as detailed below:

Ms Law-Reed advised that there will be no changes to the structure of the Trust Company but that existing governance documents in place should be examined to confirm the relationship between the two bodies. Changes to the MOU come as a result of the auditors comments and incorporate recommendations of the working group and further changes by the **sportscotland** legal team to bring it to sector standards and reflect changes in legislation around GDPR.

**THE BOARD AGREED** with the points raised in relation to the MOU by Ms Law-Reed.

Ms Law-Reed discussed the Committee and Board recommendations to stick to the status quo with revised governance. She explained that it is necessary to future proof the wording of the Trust Company Articles, so that assets can be transferred to **sportscotland** if the Trust Company is restructured at a later date.

**THE BOARD APPROVED** the proposition to bring draft revised Articles to the May Board.

Mr Dunlop raised the matter of reducing the board size. It was agreed that a Board members skills matrix is to be put in place over the next 6 months.

**THE BOARD AGREED** with this proposal and **NOTED** that the skills matrix will be presented at the Board meeting in August 2022.

Ms Booth offered to step down now to assist with the process of reducing the board size. Mr Dunlop suggested staying on the Board until the August 2022 meeting which would allow Ms Booth to support the work around Glenmore Lodge. Mr Dunlop and Ms Booth will discuss this after the meeting.

The Chair asked for any other business. Mr Dunlop recognised that this was the Chair's last meeting and thanked her on behalf of the staff team for the support and guidance offered. Board members also expressed their thanks to the Chair for her work.

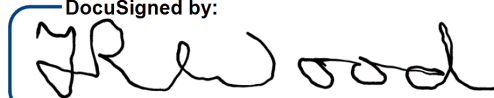


The next Trust Company Board meeting was noted as being on 12 May 2022 (potentially face-to-face).

**ACTION LIST**

Item	Who is responsible?	Action	Comments
	Shaun Roberts	Glenmore Lodge – more information at May Board about redesign of their business model and revised Business model plans to August Board	
	April Law-Reed	Bringing draft revised Articles to Board Meeting in May for review	
	Forbes Dunlop	Skills matrix to be presented to Board at August Board meeting	
	Shaun Roberts/ Barry Fleeting /Neville Cobb	Updated 2022-23 Business Plan will be brought to the May 2022 Board	

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Chair Signature