

# **The Scottish Sports Council Trust Company**

SSCTC(BM)2/2022

**Company No. SC137068**

**Charity No. SC020175**

**Minutes – 12 May 2022**

Minutes of the Directors' meeting of the Scottish Sports Council Trust Company (the "**Company**") held on 12 May, 2022 at The Inverclyde National Training Centre and via conference call on Microsoft Teams.

## **Present**

Ms Jane Booth, Director ("**Ms Booth**")  
Ms Maureen Campbell, Director ("**the Chair**")  
Ms Kirsty Garrett, Director ("**Ms Garrett**")  
Ms Kirstie Hepburn, Director ("**Ms Hepburn**")  
Ms Kay Morrison, Director ("**Ms Morrison**")  
Ms Susie Sandilands, Director ("**Ms Sandilands**")  
Mr Dilawer Singh MBE, Director ("**Mr Singh**")  
Mr Robin Strang, Director ("**Mr Strang**")

## **In Attendance**

Ms Jenny Clarke, Operations Lead Manager at Glenmore Lodge ("**Ms Clarke**")  
Mr Neville Cobb, Head of Finance and Governance ("**Mr Cobb**")  
Mr Forbes Dunlop, Chief Operating Officer ("**Mr Dunlop**")  
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 Ian Sherrington, Head of Training/Deputy Principal at Glenmore Lodge ("**Mr Sherrington**")  
Mr Simon Taaffe, Financial Controller ("**Mr Taaffe**")

## **Secretariat**

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

## **Apologies**

Mr Dave Rhoney, Director ("**Mr Rhoney**")  
Mr Mark Gaffney, Director ("**Mr Gaffney**")  
Mr Iain Houston, Director ("**Mr Houston**")

## **Chair**

Ms Maureen Campbell 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 Mr Rhoney, Mr Houston and Mr Gaffney. The Chair subsequently declared the meeting open.

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

Mr Strang declared to the Board that he is now a member of OSCR.

The remaining Directors 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. Chair – sportscotland Update**

It was noted that the last **sportscotland** board meeting took place in-person. The Board:-

- welcomed new members (Hala Ousta, Tejesh Mistry, David McDonald and Allan Watt);
- heard a presentation from Fife Council and Fife Leisure Trust in relation to addressing inequalities and increasing inclusion. The presentation discussed the impact of the cost of living on clubs, communities and how this impacts participation.
- was provided with a presentation relative to the annual review against the EDI Strategy including the actions for the coming year;
- received a debrief on the Winter Olympic and Paralympic Games and what was learned from that experience;
- received a report on the business plan and budget for 2022/23; and
- approved the Memorandum of Understanding between **sportscotland** and the Trust Company.

#### **4. Minutes of previous meeting**

**THE BOARD APPROVED** the minutes of the previous meeting on Thursday, 03 February, 2022.

#### **5. National Centre Quarterly Reports**

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

The winter period was successful but challenging. The figures presented to the Board reflected the largest and most intense period delivered since the pandemic started. The centre needed additional capacity in management and instructional teams to cope with this and there was significant movement amongst staff to accommodate this need. The figures reflected what would be two-thirds of a normal throughput for Glenmore Lodge. There were cancellations due to Covid-19, snowline and poor winter conditions and lack of snow. Fortunately groups were able to join in on winter training higher up the mountain. The centre maintained significant governing body support during that period.

Regarding business development, those working in hospitality dropped from twenty employees to nine. Ms Clarke updated the Board that there has been a shortage of chefs and bar staff, though a new bar supervisor was recruited to allow the bar to remain open and to cover shifts. If further recruitment can be done, the catering service will be able to remain open. Ms Clarke did emphasise that this will be challenging. Mr Roberts advised the Board that a new Communications Officer had been appointed. There will be further reporting from Glenmore Lodge regarding the environmental survey that was conducted amongst the team. Mr Roberts added that the refurbishment on the south wing was delivered on time.

Ms Sandilands commented that, in relation to reporting on social media performance going forward, it would be helpful to measure engagement by considering shares, comments, views and genuine interaction with posts, as opposed to how many views it has had. The Chair commented that the short 'How-To' videos were a great example of how to engage on social media.

Ms Morrison asked if the pay increase was applied across the organisation. Mr Roberts advised that it was and explained that the Scottish Government want to pay above UK living wage. Pay grades at **sportscotland** are in line with the Scottish Government guidance. Mr Dunlop commented that there has been no final decision for the whole organisation as a pay

award for 2022-23 is not yet finalised with the trade union. Mr Dunlop stated that the next couple of months will see this arrangement be finalised and applied across the organisation.

## **5.2. Mr Roberts proceeded to report on the sportscotland Avalanche Information**

### **Service as follows:**

The Avalanche Service is forecast across six Highland areas. There are forecasts for seven days a week throughout the season and they are constructed from mountain-based observations. The forecasters go onto the hill each day to observe the mountain conditions, snow distribution, but also have a snowpack analysis. They then receive detailed Met Office forecasts from the Aberdeen team for their area, from which they can evaluate weather impacts on snow stability and avalanche hazard during forecast period. What is produced from that is an avalanche hazard forecast as well as a mountain conditions blog which is more informal. This public information is established as essential planning information. The Avalanche Aware app has ten thousand downloads. Mr Roberts explained that the outcome of an avalanche can range from a minor inconvenience to devastation. Mr Roberts presented a heatmap to the Board showing all avalanches recorded, explaining that the aim is to develop as a service to meet the varying needs of participants and winter mountain conditions. Out of season there are engagement areas for the service, including the European Avalanche Warning Network which hosts an international meeting. There are two **sportscotland** staff amongst the forecasters and everyone else is freelance, ten of whom are fairly new. Additional forecaster days are put in place at the peak of the season. Mr Roberts noted that the planned change of employment status amongst forecasters is the biggest change to this service in decades. The cluster of forecasters operating has not changed, so Mr Roberts is looking to put in place a full-time employee contract and more flexible casual contracts for duty forecasters.

Ms Sandilands asked that if we are contracting area managers, does this mean we normally pay these staff year-round or is it a new cost? Mr Roberts confirmed that Area managers and staff join in late November or early December each year on a contracted basis for around 6 months. Mr Dunlop said projections in terms of budget would mean around increased costs, with a part of that being Employer National Insurance and pension contributions. Mr Roberts said the contractor model has restricted the capacity of the service to develop and resource new agendas. Creating more inhouse capability will change this and take on a range of critical development agendas. Mr Dunlop commented that there is potential for opposition to this but that, in terms of budget, there is support for this service.

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

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

Trading outputs have been consistent over the year. These numbers have influenced what the business plan looks like. Regarding operations, occupancy of rooms is at 52% - these are very good levels. Staff have been back in the centre most of the year and those able to work in a hybrid way have done that as well. Enquiries in this quarter were high and the centre welcomed a wide range of governing bodies in that period which has been a source of success for the centre over the last nine months. The supported residential programme for partners welcomed many of the centre's partners and Mr Fleeting hopes to see the fruits of that increased engagement. The return of schools' business helped the centre towards the end of the year. The Adventure Sport Hub continues to be developed and should be completed in July 2022. Staff have been training and preparing for this opening so that when it opens it can be used to the full extent. There are currently 716 fitness members and younger members are now emerging around school times. In relation to facilities and estates, the centre has four new boccia courts marked out. Electronic scoreboards have been installed for a wide range of sports.

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

**5.4. Ms Law-Reed provided an update on two ongoing claims relative to the Company.**

It was agreed that we would discuss the Trust Company's insurance status with the SG sponsor team. The Board asked for clarification on the decision-making process for the claims.

**Action – Mr Dunlop and Mr Cobb to discuss with SG sponsor team**

**THE BOARD NOTED** the contents of Ms Law-Reed's report.

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

It has been a good result this year against the budget. and the Centres only reopened at end of April 2021 with the furlough scheme still in place. A total of £289,000 was received in furlough payments this year. Customers steadily returning is key for us and brings the most income to defray the costs of operating the two centres. Investment of £3.4M is consistent

with previous years and overall investment from us is £4.6M as we have been able to release more money since the pandemic has faded. It is a very positive piece for future growth and sustainability.

Mr Strang asked Mr Fleeting if we can ramp up and down the services provided by Elix given they are a source of increased costs this year. Mr Fleeting said that is how the contracts work and was particularly useful during the pandemic. A two-year extension is activated with them. A decrease in usage could incur a penalty, but we have reached a good middle ground. Mr Cobb commented that Elix costs going up is a positive as it means there is more activity in the centre, generating more money.

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

## **6. Business Plan:**

Mr Roberts, Mr Fleeting and Mr Cobb updated the Board on the Business Plan and the 2022/23 budget.

### **6.1. Mr Cobb presented to the Board on the budget as follows:**

We are hoping for a full year with no covid interruption. We are still on the government energy tariff and are hedged for most of this financial year. After that we will feel the effects of the inflated energy costs. Mr Cobb noted that, following the presentation of draft budget numbers to the February 2022 Board, the centres had proposed an increase in forecast income in both national centres and consequent reduction in forecast investment requirement. As a result, the plan is to allocate £800,000 for capital investment. If we start to beat the investment requirement, then some funding may be released into further capital investment.

The trend of increasing levels of investment overall is an area of concern and we need to look at how we can evaluate where the investment goes and that we control it.

Ms Morrison asked if there is any early thinking on financial sustainability. Mr Cobb explained that we have big, fixed costs (buildings and salaries). The simple solution is more beds filled, more activity in the centres and that way the money flows straight to the bottom line. The more the assets are used the more we achieve the financial sustainability that we are looking for, build steady streams of income so that if one drops the others provide the income we need.

Ms Morrison asked about money flowing to the Trust Company. Mr Cobb explained that new funding to **sportscotland** from the Scottish Government is to be used for very specific things, but we now have more certainty around our core investment and that gives us confidence that we will have sustainable investment into the Trust Company.

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

## **6.2. Mr Roberts updated the Board on the Business Plan in relation to Glenmore**

### **Lodge as follows:**

In terms of the budget and inform recovery timeline, baseline and optimistic income forecast is 69% and 83% respectively, of the 2019/20 budget. We are looking to develop income streams and add value around the activities offered. We need the right level of economic and participant mass as well as more targeted impact areas around activities. Regarding expenditure, the forecast within the salary piece is for a full complement which we are not at yet. The freelance area remains a challenge and some courses still need to be cancelled due to limited freelance availability. There has been a recently improved offer of a daily rate to attract instructors. The Chief Instructor is looking to get ahead for freelance engagement for the winter to avoid these short-term challenges. There is increased budget around electricity, but there are some challenges to keep up with changes across sectors (e.g. leasing buses). There is expected to be a lot of movement between these areas of expenditure and close management is required. Ms Clarke commented on food costs, advising there is good contract management in place using the Scotland excel framework to get the buying power/lowest costs. The next step is to review prices and identify where we can adjust them. Once bar meals are up and running, we will have done this. The centre has adopted the common industry measures to stay ahead of the costs.

In relation to Forward Orders, there has been healthy engagement for programmed courses and CME (conferences, meetings and events). We need a slightly different business model for the winter ahead. Price points may be changed against the training offer or around the food and hospitality offer. Events teams are in conversation around 2023/24 within these events, which includes tailormade training we do for other industry areas.

Regarding Capital expenditure, the priority includes the development of upgrade to the private water supply infrastructure which supplies the Lodge. The Website, ESP booking system and API development will be upgraded to streamline the two. Phase 1 of the website is in testing before it goes live with a new host. As far as ventilation is concerned, we had a brief audit and need to review after advice from engineers and auditors.

Glenmore Lodge is also looking at other potential capital expenditure including:

- to build a winter bouldering wall. This is unique and a lead element in terms of coaching winter climbing. Approved project against capital in 2021/22 but unable to deliver project.
- Ms Clarke is leading the electronic point of sale upgrade.
- Old North Wing accommodation room (formerly IDS rooms) are to be refurbished and converted to offices to accommodate return to offices for staff.
- A campsite development to engage people around the centre and provide further accommodation options.

Targets and actions are as follows – by September the Lodge wants to offer course booking and then accommodation separately on the website (there may be a premium for booking a separate room, Ms Clarke gave insight into separating out accommodation costs from the course booking package, explaining that everything was sold as a package, so we need the system to be more agile and based on customer demand. This winter the Lodge will hopefully have the online module for this available.

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

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

There has been a focus on staff engagement and getting staff feedback on what has worked well in the last year and what could be done better. Customer feedback on our people is very positive. 30% staff have joined the team since Covid, 40% have spent 10 years here and 20% have been here for over 15 years. Lots of people are at top end of salary scales for their roles.

Partner/internal consultation:

Investing for impact: this has involved meetings with partnership managers from Clackmannanshire, Dundee, Fife, West Lothian and Glasgow. It has been positively received. The return to sport residential helped inform our approach for investing for impact.

Regarding Income by Month, April to September figures were influenced by Covid and furlough. Schools' activity has been low during that period. The fitness suite has seen consistent growth in terms of number of users. Indoor activities tailed back in the December period.



Residential overview: over 5,000 residents and there are 29 different governing bodies participating. Club enquiries are dominated by pre-season football requests for the summer months. There is expected to be a high level of business in the year ahead with a strong pipeline.

Regarding income, the income from governing bodies for 2022/23 is forecast to be slightly lower than 2021/22 and is indicative of a bounce back in 2021/22 from those keen to get out after the pandemic.

Capital Planning: This includes the completion of the adventure sports hub, sport hall refurbishment, climbing tower, car park and road, facility replacement costs and pitch side changing pavilion (the pavilion is likely to take a couple of years to deliver).

The 2022/23 focus is on stabilising business, building on success with governing bodies and schools, delivering on capital plans and investing for impact and inclusion.

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

#### **7. Mr Fleeting provided an update of the sale of Cumbrae as follows:**

A Community transfer is no longer being pursued with the local community group, as it is not able to come up with a proposal to take on the site. A 24-hour surveillance company is still monitoring the site. Staff continue essential maintenance and are clearing up some of the site.

Mr Cobb explained that the move to a commercial sale of the site means we must offer it to other Scottish government entities first. The month deadline is up as of Friday 13 May, 2022. The public procurement quote is due back on 19 May, 2022 for an agent to be appointed and then the site will be valued and marketed through various channels. A formally minuted renunciation by the board of the 50-year lease is now required. This allows **sportscotland** to market and sell Cumbrae. Mr Cobb asked for Board approval of this.

Ms Sandilands asked if the community are aware of the Cumbrae situation. Mr Fleeting confirmed that they are aware. There will be a meeting for the community to ask questions.

Ms Garrett asked if the negative impact in the media is now gone. A private provider could have a detrimental impact on a local business, so this will continue to be a risk for the Trust Company until it is completed.

The Chair asked if we need to take best price. Mr Cobb said we will need to demonstrate that we have achieved the best value for the sale of the asset.

## **THE BOARD AGREED TO THE RENUNCIATION OF THE LEASE FOR CUMBRAE BETWEEN THE TRUST COMPANY AND SPORTSCOTLAND**

### **8. Articles of Association**

#### **Ms Law-Reed presented to the Board on the Articles of Association as follows:**

The articles from 2010 required to be updated including amending the winding up provision to allow the transfer of assets to **sportscotland** at a later date if the Trust Company were to be wound up. The articles have been brought up to sector standard. Key updates are in relation to membership, removal of directors (expanded to include additional grounds), and conflicts of interest. New articles have been added around in-person or hybrid meetings and behaviour of directors.

Mr Dunlop emphasised that this work was carried out to provide flexibility for the future.

The Chair reiterated that Mr Dunlop was clear that this update was not to achieve a specific outcome and is just good governance.

Amendments to the Articles were agreed by the Board.

**THE BOARD AGREED** with the points to be amended in relation to the Articles of Association.. The written resolution was **SIGNED** by the Chair on behalf of the Board and by Mr Dunlop on behalf of **sportscotland**.

### **9. Trust Company Audit Planning Memorandum**

The Trust Company Audit Planning Memorandum was tabled. It had previously been circulated by email. No matters were raised by the Board.

### **10. Any Other Business**

None

### **11. Date of Next meeting**

The next Trust Company Board meeting was noted as being on 11 August 2022 (likely to be at Inverclyde).

**ACTION LIST**

<b>Item</b>	<b>Who is responsible?</b>	<b>Action</b>	<b>Comments</b>
6.2	Mr Dunlop/ Mr Cobb	Discussion with SG sponsor team re claims.	

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Chair Signature