

**Company No. SC137068**

**Charity No. SC020175**

**Minutes – 04 February 2024**

Minutes of the Directors' meeting of the Scottish Sports Council Trust Company (the "Company") held on 09 February 2023 at The Inverclyde National Training Centre and via conference call on Microsoft Teams.

**Present**

- Ms Maureen Campbell, Chair ("Ms Campbell")
- Mr Mark Gaffney, Director ("Mr Gaffney")
- Ms Kirstie Hepburn, Director ("Ms Hepburn")
- Mr Iain Houston, Director ("Mr Houston")
- Mr Husnain Raza Sadiq ("Mr Sadiq")
- Ms Susan Sandilands, Director ("Ms Sandilands")
- Ms Olivia Strong ("Ms Strong")
- Mr Ronan Welch ("Mr Welch")

**In Attendance**

- Ms Rachel Barrington, Director of Operations ("Ms Barrington")
- Ms Nancy Bunyan, Events & Bookings Manager, Inverclyde National Sports Centre ("Ms Bunyan")
- Ms Jenny Clarke, Lead Operations Manager, Glenmore Lodge ("Ms Clarke")
- Mr Neville Cobb, Head of Finance and Governance ("Mr Cobb")
- Mr Graeme Crawford, Facilities and Events Manager, Inverclyde National Sports Centre ("Mr Crawford")
- Mr Barry Fleeting, Head of Centre, Inverclyde National Sports Centre ("Mr Fleeting")
- Ms Pauline Kerr, Business Development Manager, Inverclyde National Sports Centre ("Ms Kerr")
- Mr Shaun Roberts, Principal, Glenmore Lodge National Centre ("Mr Roberts")
- Mr Ian Sherrington, Head of training, Glenmore Lodge ("Mr Sherrington")
- Ms Victoria Smith, Communications Manager, Glenmore Lodge National Centre ("Ms Smith")
- Mr Simon Taaffe, Financial Controller ("Mr Taaffe")

**Secretariat**

- Ms Abi Wood, Legal Officer, ("Ms Wood")

## **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”).

The Chair welcomed the new Board Members:

- Mr Husnain Raza Sadiq
- Ms Olivia Strong
- Mr Ronan Welch

Who were appointed as per Article 26 and 27 of the Articles.

## **BUSINESS**

### **1. 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. No apologies were given. Board members Ms Hepburn and Ms Strong attended the meeting virtually via Microsoft Teams.

Accordingly, the Chair declared the meeting open.

### **2. Declarations of Interest**

The Board members 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.

For the benefit of new Directors, the Chair explained to all Directors about how declarations of interest are managed once identified.

### **3. Chair - sportscotland update**

**The Chair provided an update.**

The last **sportscotland** Board meeting was held in December 2023. The **sportscotland** Board heard a presentation from Scottish Rugby focused on their community programme and performance programme. The Chair commented that it was interesting to see how rugby is positioned in this landscape and they gave a good presentation. It was noted that the presentation looked at challenges at community level including energy costs and climate change.

The **sportscotland** board also heard from Richard Foggo (“Mr Foggo”), Co-Director of Population Health. Mr Foggo was able to explain how **sportscotland** fits in with the Scottish Government’s public health agenda. Mr Foggo managed the **sportscotland** Board’s expectations regarding the budget. The Chair commented there are strong

budget constraints ahead but acknowledges that public finances in general are under severe constraints. The Chair further noted that the Board spoke about business planning and budget.

The Chair notes that Mr Fleeting and Mr Roberts did presentations supported by Ms Barrington at the last Board meeting. The Chair notes that the **sportscotland** Board were interested in ongoing work. Conversations arose about challenges and making sure that facilities are optimised.

**THE BOARD NOTED the contents of the Chair's update.**

#### **4. Minutes of Previous Meetings**

There were no issues of accuracy or further comments on the minutes of the Fourth Meeting of 2023, held on 9 November 2023.

**THE BOARD APPROVED the minutes of the previous meeting.**

#### **5. Matters Arising**

Board members were given an opportunity to appoint a new Vice Chair. The Board was invited to appoint Mr Houston as Vice Chair.

**THE BOARD APPROVED the appointment of Mr Houston as Vice Chair and Mr Houston confirmed his consent to act in this position.**

The Chair noted that the Board were seeking to recruit two new members, however, due to the high quality of applicants, three new members were appointed. The Board had capacity to appoint more Board Members. The Chair noted that there was a real diversity of skills and hoped the expertise of the new members would be beneficial to the Board as a whole.

#### **For Discussion**

#### **6. Quarter 3 Reports:**

The Chair welcomed presentations and discussions surrounding Quarter 3 reports.

##### ***6.1. Trust Company Finance –***

**Mr Taaffe presented a Finance Report for the Board as detailed below:**

As at the end of Quarter 3 of this financial year, there has been increased trading at Inverclyde and Glenmore Lodge compared to prior year (£461k). Both centres are trading broadly in line with the refreshed 2023/24 budget.

As at the end of Q3 both centres are over budget for expenditure against the Q2 refresh budget, largely due to the timing of maintenance costs across both centres and staff costs at Inverclyde. The pay award for 2023/24 was implemented in

December 2023 and is incorporated within these figures. A further stepped increase in pay has been paid in January 2024.

The Scottish Avalanche Information Service (SAIS) and Mountain Weather Information Service (MWIS) are under budget for expenditure, after making operational savings on Avalanche Service staff in December 2023.

The **sportscotland** investment is still forecast to be in line with the allocated £4.5m. This does not include litigation charges. The investment figure includes £475k of approved capital investment (which is listed in bullet point 8 of the report).

The Chair noted that trading was still in line with forecast **sportscotland** investment.

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

## **6.2. Glenmore Lodge – Q3 2023-24 –**

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

Mr Roberts noted the paper provided figures from the period of October to December 2023 but Mr Roberts would now be able to comment on figures up until week commencing 5 February 2024. Mr Roberts noted, for example, that in the paper, it was reported that Glenmore Lodge was behind budget on programme courses. However, Mr Roberts was pleased to report as of week commencing 5 February 2024, there had been a good response to bookings. This was the second highest web booking ever recorded.

Glenmore Lodge was £80k above their quarter 2 forecast from a trading point of view.

Mr Roberts highlighted that the cold weather conditions are forecast until the end of February 2024 and that month is looking to be the best ever across the whole centre from a room booking perspective. The team were taking every opportunity to convert courses to residential.

In terms of health and safety, there was nothing unusual to report. Mr Roberts did note that there were more incidents but that this was not unusual at a busy time for the centre.

The Chair noted the successes from December 2023 and January 2024 and asked if we had been doing anything different or proactive to generate further bookings? Mr Roberts noted that the snow forecast was a large contributing factor to the success but that the team had put a huge amount of work in, highlighting the communications team efforts. Mr Roberts referred to Ms Smith to give more detailed update.

Ms Smith noted that customers were booking products later compared to the start date of the course. The team identified that their two day products are more popular than their five day products. As such, more two day slots were made available, increasing the mix of two days products available during the week as opposed to only offering these at weekends. They also included more one day products and did a general

“sense check” on products and made changes where appropriate to do so. There was also strong web traffic in December 2023, although not all of this traffic converted into bookings. An audit of marketing strategies was also completed using an agency and this was helpful. Some new products were introduced by utilising information and knowledge within the team. These products were mostly filled and proved to be popular.

The Chair thanked Mr Roberts and Ms Smith for their contributions.

Mr Houston asked about the work being done to the Glenmore Lodge website. Mr Roberts noted this work was ongoing and would be live at the end of March 2024. There has been ongoing communications work being done at present to boost conversion to residential bookings.

Mr Gaffney commented on the diversification of activities. Mr Roberts explained that Glenmore Lodge lined up several events, focusing on Glenmore Lodge as the destination. For example, there was a band and Ceilidh brought in for Burns’ Night.

Mr Sadiq asked about how different communities reached out to Glenmore Lodge. Mr Roberts stated that they were offering more products, such as a one day winter skill programme. Glenmore Lodge were also hosting more events, including slow events such as a walk followed by afternoon tea. Mr Roberts highlighted that values for engaging in these activities across different groups were broadly the same – community, social and a value of the outdoors.

**THE BOARD NOTED the contents of Mr Robert’s report.**

### **6.3. Inverclyde – Q3 2023-24 –**

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

Mr Fleeting highlighted that Q3 trading performance was very strong.

In regard to Cumbrae, ways to identify a purchaser were ongoing and he remained hopeful that a buyer will be found, and transaction completed.

Board members asked if there were any concerns regarding the decline in fitness membership numbers. Mr Fleeting said he was not overly concerned at this stage however there has been some challenges in recruiting new staff and managing long term absences. Figures for January and February 2024 will provide a clearer picture given the expected seasonal increases.

Mr Fleeting noted that they needed to conduct some repairs to the floor in the fitness suite.

There are now challenges around capacity at the Centre at certain times of the year, and Mr Fleeting recognised that the governing bodies using Inverclyde are prioritised and that they are working through plans on how to support this whilst still allowing space for the community users.

A discussion was had over the schools attending Inverclyde. Mr Gaffney noted that schools tended to come from a few local authorities. Mr Fleeting explained Inverclyde works with 14 local authorities at present and they do not do too much direct marketing work around schools unless it is from an EDI targeted investment point of view. Inverclyde has a limited capacity and it is having conversations about how it might start to prioritise local authorities/schools.

Ms Sandilands queried if there was capacity or desire for Glenmore Lodge to have more schools attend there. Mr Roberts noted potential capacity at Glenmore Lodge. It has engaged with the local authority (Highland Council) and would support schools coming to Glenmore. The overlays of calendars between Glenmore and Inverclyde were highlighted along with the different experience offered at Glenmore Lodge. The Chair suggested that there was an opportunity there to transfer some of the market and provide a different offer with Glenmore Lodge but acknowledged there will need to be further conversations around how to select schools.

Mr Sadiq highlighted various EDI points. He explained some pupils may be missing out, for example, if they had to pay for the trip. Mr Sadiq suggested it may be beneficial for Inverclyde to speak to community groups to raise awareness of Inverclyde to address these EDI issues. Mr Fleeting explained there are challenges here in identifying where there are groups and leaders willing to engage. However, he highlighted where there were opportunities they will pursue them, as they have done in the past.

The Chair asked about costs. Mr Fleeting noted that they do not want costs to be a barrier. Inverclyde also keeps an eye on the market and ensures their costs sit at the mid cost point across the sector.

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

## **7. Inverclyde – supported groups**

**Mr Fleeting referred to his report and presented with assistance from Ms Bunyan and Mr Crawford.**

Mr Fleeting noted Inverclyde opened as an inclusive site and was **sportscotland's** biggest capital investment, with inclusion at the heart of it. Work with supported groups started but were paused due to Covid. During Covid, Inverclyde spent some time exploring how to invest in groups who may not be able to access the opportunities that Inverclyde offers. During the Covid recovery, Inverclyde offered partners the opportunity to come to Inverclyde recompresses part of the reopening of the sporting sector. All the staff at Inverclyde are committed to everyone having a great experience. There is a unique and targeted approach with an intended focus on inclusion.

Inverclyde has its core business areas, contribution areas and then inclusion, also including specific **sportscotland** investment into EDI.

The Board and Mr Fleeting discussed working with partners and supporting those from an EDI background. Mr Fleeting identified that it can be difficult to find groups

and individuals, noting the follow-up takes a lot of effort but making the connection is the most difficult part, for example, engaging with Care Experienced Young People.

The Chair noted that groups were having great experiences whilst at Inverclyde but that if this experience is going to be valuable, there needed to be long term results. The Board discussed how to measure the impact of this work. The Chair recognised that it was too early at this stage to see these results but was keen to see the evidence. Ms Sandilands said she was encouraged by the early comments in the report about increased participation in PE and attendance in school. Mr Fleeting noted, at present, they are hearing “lots of good stories” but appreciated there was a balancing act in providing a good experience and measuring the overall impact.

Mr Fleeting explained they receive direct feedback and through social media channels, such as X (formerly Twitter).

The Board discussed the need for further investment and how to approach this with the Scottish Government. The Chair repeated that Mr Foggo was clear about the public health agenda together with the constraint on resources, and highlighted this does not stop the Board from asking for more investment but this needs to be realistic.

Mr Fleeting highlighted that there was great leadership from partners and commitment from staff. The support came from staff resources and the experience they had at the centre but also through financial support that allows the groups to come. This year, Inverclyde had 31 groups visit from 12 different partners. They were focusing less on cost elements and instead looking at ways to support partners and what is going to be most valuable to them. There was also an increase in training focusing on Adverse Childhood Experiences and training from SAMH.

Mr Gaffney asked about risks and opportunities, including the potential risk in pushing out core business. Mr Fleeting acknowledged this was a risk and there was a balancing act of ensuring the building was available for governing bodies, clubs and community and EDI groups. Mr Sadiq noted that EDI was a process and that whilst there may be risks, that it may be appropriate to take risk for more opportunities to be made here.

The Board agreed that work was ongoing and it may take more time for themes to emerge from this work, through testing and refining.

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

## **8. Trust Company Draft Budget for 2024-25**

**Mr Cobb presented on the Trust Company Draft Budget.**

Mr Cobb referred to the paper which provided a draft summary of the budget and investment requirements for 2024-2025. He noted that the budget is work in progress for now.

Mr Cobb noted following up from the Chair’s comments about Mr Foggo, this was a very tough financial landscape, with added pressures including salary increases set by Scottish Government that impact **sportscotland** and the Trust Company. Mr Cobb

highlighted that there is little flexibility for Mr Fleeting and Mr Roberts in terms of staffing.

Mr Cobb noted that he was working with SMT, to prepare a balanced budget for **sportscotland** for 2024-25. The paper presented to the Trust Company Board is a realistic or baseline budget, considering existing pressures, such as the pay award and utilities. There are also some other factors around general pricing increases.

Mr Cobb highlights key tables in the report, including the summary of budget at point 8. Mr Cobb highlighted the movement in Capital Investment. Facilities require ongoing investment – lot of it is replacement costs. For example, the gymnastic roof and flooring in fitness suite at Inverclyde and the water supply at Glenmore Lodge.

In terms of next steps, Mr Cobb noted that the aim today is for Mr Fleeting and Mr Roberts to present further detail on planned trading for next year. By time of the next Trust Company Board meeting in May, there will hopefully be confirmation of the Investment budget for 2024-25.

The Chair commented that the outlook is bit uncertain but this is a realistic budget. Last year, the budget was ambitious on income and noted that we find ourselves in similar situation this year.

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

## ***8.2. Glenmore Lodge Draft Budget Presentation 2024-25 – Shaun Roberts***

### **Mr Roberts presented on Glenmore Lodge and the budget.**

Mr Roberts noted that there was “cautious optimism” with the budget. He noted within the strategic plan, there are development priorities. Glenmore Lodge is an older site and has been developed on multiple times, with the last time being in 2007. This is a challenge for the team, but they take every opportunity they can and work flexibility and realistically.

One consideration that Glenmore Lodge was making was to try and maintain their customer base and ideally expand it.

Maintenance of the customer base and volume is really important. In light of current economic factors, Glenmore Lodge has to work harder for every booking, whether that be individual or group. Their prices must aim to cover inflation, but they are aware that they cannot price themselves out of the market. Mr Roberts highlighted the need to do frequent market comparisons. Evidence suggests the market is cutting prices, particularly in skills courses, to drive an increase in volume and throughput.

Glenmore Lodge is seeking to maximise centre utilisation. If Glenmore Lodge can fill and get good occupancy rates, this really helps to offset fixed costs. They are piloting a lot right now, including the website and a new customer journey.

Mr Roberts provided his assumptions and challenges for core business. and reiterated optimism regarding the draft baseline budget.



There is a balance around pricing. There were concerns over individual bookings when considering disposable incomes and pricing sensitivities. In terms of conferences and events, these are different. Mr Roberts noted they were not privy to budgets of other organisations but shared concerns of adjustments of delegate numbers by booking organisations to manage budgets.

Mr Roberts highlighted that Glenmore Lodge is excited about the year ahead and cautious but ambitious. In 2024/2025, Glenmore Lodge is implementing a compressed Christmas closure period which will generate additional trading days. This pilot will help assess customer demand for this. In terms of hospitality, there is a return to bar food but this is a different offer than the pre-Covid model. Regarding accommodation, Glenmore Lodge is using resale platforms. There is additional meeting room space in the bar that can be offered to external groups. This can be utilised even when the site is very busy. There is also a new CRM system and e-commerce tracking to support the marketing activity.

In terms of capital priorities, there was various areas in the five year plan to look at. Glenmore Lodge was refurbishing its private water supply. Mr Roberts noted they had dated facilities. They were making no assumptions but were open to discussions on various developments if funds were available.

**THE BOARD NOTED the contents of Mr Roberts' presentation.**

### ***8.3. Inverclyde Draft Budget Presentation 2024-25 – Barry Fleeting***

Mr Fleeting presented in terms of Inverclyde.

Mr Fleeting noted that the strategic priorities were to sustain high levels of income across the year; embed and integrate new catering and cleaning contract; environmental and sustainability planning; deliver facility improvements based on feedback and business opportunities; and to build on the success of the schools programme.

In terms of budget assumptions, Mr Fleeting anticipated price increases of 5%. He also highlighted the increased salary costs, energy costs and fluctuations in SGB business.

Mr Fleeting highlighted that overall income and expenditure is £400k more than 2 years ago yet the staffing levels stay the same. This is because there was lots of things Inverclyde had to spend money on that were out with their control for example salary increases, cleaning and catering contractor costs and energy costs. There was also maintaining the estate in itself in addition to increases in night concierge service and other fixed costs.

Mr Fleeting looked forward to anticipated investments for the upcoming year, including, fixing the fitness suite floor and work on the strength and conditioning area. There was also updating dining servery. This would enable more groups to be served at once. There is also general maintenance that needs to be completed, for example, to refresh

and replace items. There was some longer term projects Inverclyde hope to work on such as indoor tennis and a pitch side pavilion.

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

The Board then discussed the draft budget. The Chair noted that Ms Barrington would discuss with SMT about a 5-year budget and to look at anticipated savings. This would need approved by the Board.

Ms Barrington explained that they are four key areas – corporate services, sports development, performance, and the national centres. Ms Barrington noted that investment needs to be at the front end. Ms Barrington explained they would wait and see what discussions with SMT would bring.

### **9. Trust Company MOU review and update**

**THE BOARD APPROVED the MOU.**

### **10. Trust Company Risk Register review**

Mr Fleeting Presented to the Board on the Risk Register Review. He noted they were now doing 6-monthly updates. There are some changes in points 2 around audits and condition of centres.

Mr Fleeting noted there would be another review in 6 months and this would come back to the Board in August.

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

### **FOR INFORMATION**

#### **11. Glenmore Lodge – Avalanche Incident Investigation Recommendations – Update on actions**

Mr Roberts gave an update on Avalanche Incident Investigation Recommendations.

There are 2 reports being prepared. The first, by Azets, is to look at how Glenmore Lodge's incident investigation compares to guidance defined by HSE. There is also an external review panel looking at the circumstances around the incident, the investigation detail, root cause analysis, and recommendations. It is hoped that this work will be completed by the end of February or early March 2024.

The Health and Safety Executive review is still live, and Glenmore Lodge has had direct conversations with them to support their investigation processes.

**OTHER**

**12. Any Other Business**

None

**13. Date of Next Meeting:**

16 May 2024, Glenmore Lodge.

**ACTIONS**

No actions were noted.