

sportscotland

Council Meeting

Minutes of the Council Board Meeting held at the **sportscotland** National Centre Inverclyde on Wednesday 26 October 2022 at 09:00

Present

Members

Mr M Young, Chair
Mr T Mistry
Mr C Grant
Mr S Lindsay
Prof C Mahoney
Mr D McDonald
Ms H Ousta
Mrs K U'ren
Mrs S Sandilands
Mr A Watt

In Attendance

Council Officers

Mr F Dunlop
Mr M Whittingham
Mr N Cobb
Mr B Fleeting
Mrs J Lynn
Mr D McKay
Mr D Williamson
Mr M Cowan
Mr P Reid
Mr J Lunn

Scottish Government

Mr A Sinclair

Welcome

The Chair welcomed everyone to the meeting.

Business

1 Apologies for Absence

- *Ms M Campbell and Ms C Bain*

2 Declarations of Interest

- *None.*

3 Minutes of Meeting held on 24 August 2022

- *The minutes of the Board meeting held on 24 August 2022 were approved as a true and accurate record.*

4 Matters Arising

None.

5 Chairs Opening Remarks

The Chair reflected on the previous night's celebration of Stewarts 30 years with **sportscotland**, 16 years of which was as CEO and the contribution that he had made over that period.

The Chair updated that the CEO recruitment process is now live on the **sportscotland** website and asked members to use their own networks to ensure it is circulated as widely as possible. A recruitment agency is coordinating the process with a closing date for applications of the 13 November.

The Chair commented that there have been a lot of positive events in sport lately and highlighted the recent Coaching, Officiating and Volunteering Awards which was a fantastic evening celebrating sport and the people who help to make it happen.

The Chair updated that the latest SGB Chairs meeting was good as they were able to talk about the positives rather than just the challenges being faced.

The Chair updated on his recent visit to the Vatican where the discussion focussed on the importance of sport and how the values of sport can be used in supporting the world through times of crisis.

6 Executive Management Report

Mr Dunlop updated on the Annual Review meeting with the Minister which was overwhelmingly positive. The Minister praised **sportscotland** for the work in leading the sector and also discussed the short and long term challenges that we are facing. The Chair agreed that it was very positive and the Minister gave huge praise on the recent work that has been done and how challenges have been dealt with.

Mr Dunlop updated on the National Lottery 4th License, he explained that the previous dispute had been resolved to the point that the transition from Camelot to Allwyn was now

progressing. This progress helps reduce the risk associated with the transition. Overall, the Lottery income figures remain relatively healthy.

Mr Dunlop updated on a follow up meeting with Public Health Scotland and noted that Angela Leitch has announced her retirement but will remain in post until the new CEO has been appointed. The partnership is evolving well with a clear focus on national policy and approach, and an emerging approach to work together at a local level to support local partners.

Mr Dunlop updated on the work with Cricket Scotland, he noted the progress with the referrals, the Board appointments, the Governance Review and the establishment of an EDI Advisory Group. Mr Dunlop noted that there is some criticism from Running out Racism that we are not acting quickly enough or making enough progress. Mr Dunlop went on to explain that we are continuing to engage with ROR and listen to their concerns, that we do understand the frustrations but we are prioritising that we ensure that the approach and process are robust.

The Board asked if sport will be included in the Human Rights Bill, Mr Dunlop stated that it had not been discussed. The Chair noted that we will make sure it is discussed at a future meeting.

The Board commented on the good news about Allwyn being awarded the 4th License and asked if their strategy could be brought to the Board once it has been developed.

The Board commented that it is good to hear about the positive feedback being received from the Minister but asked if there has been a discussion with the Active Scotland Delivery Group on how to demonstrate the impact investment is making. Mr Dunlop commented that the plan looks great on paper and should work but it requires a greater commitment from wider partners. Mr Sinclair commented that he is hopeful that we are moving on and Covid has brought organisations together and as a result they now value connections more than they did previously.

The Board discussed the importance of a headline goal or ambition that we are all working towards. Mr Sinclair commented that the ASOF gives us this focus but reporting against it is a challenge.

Mr Cowan updated on the current situation with TSIT and acknowledged that progress has been slow. Covid has played a significant part in the delay and now issues around inflation are adding concern as to whether projects can continue to be delivered and are sustainable. We are now halfway through a ten-year plan. Mr Cowan explained that while significant budget pressures are affecting projects, in general there is still a desire to deliver them.

The Board asked if there are any other partners we could approach to discuss alternative options given the RAG ratings and what budget allocations are being held? Mr Cobb noted that currently £7.5 million is set aside from Lottery this is matched by the LTA. Mr Cowan noted that we have tried to target the gaps and looked at a range of other potential, credible partners but the issue is not necessarily about initial capital but about the ongoing running cost and staffing commitments. The Board asked if there are more conversations that could be had. Mr Cowan commented that at this stage we have resisted going directly to clubs as the ambition was to develop new facilities and attract new and different members to the sport.

The Board asked if the full £7.5 million has been accounted for? Mr Cowan noted that we will know our contribution once we fully understand the volatile construction market and once the project commences. The investment is coming from Lottery income so there is no finite amount of time in which it needs to be spent. Mr Cowan and Mr Cobb review the model on a monthly basis.

The Board asked if the steering group has factored paddle and pickle ball into any of the projects and is there an opportunity with commercialisation? Mr Cowan noted that a critical discussion with partners is needed, and inclusion is a vital part of the business plan. The use of commercialisation has been discussed significantly and the benefits it may or may not bring the facility.

The Board asked if it was possible to utilise the TSIT balance for something else until the project is ready to progress. Mr Dunlop noted that the overview of the Lottery balance is scheduled for the February Board meeting. The Chair noted that we should have these conversations regularly and monitor progress and spend.

Mr Dunlop explained that despite the positive meeting with the Minister there were live conversations about in year savings. At this stage there is no firm position but we are anticipating being asked to contribute to government budget savings. Mr Dunlop went on to explain that some of the new monies allocated this year have already been spent and other offers and commitments have been made, all in line with the Scottish governments direction and focus on inclusion.

Mr Sinclair commented that we are currently operating in a very challenging fiscal context, the main drivers have been the public sector pay awards and Westminster policy as every change in Westminster leads to changes in Scotland. Mr Sinclair explained that details will emerge in the coming weeks and that he will work closely with Mr Dunlop and the Chair to give clarity as soon as possible.

The Chair expressed frustration that we would be subject to cuts after having received such positive feedback about our work. The Chair understands the background and noted that it must be really difficult in the current economic climate but savings across all departments does not seem to be the best option as sport is a small fraction of the health budget and is completely connected with the overall Government policies and must be seen as part of a preventive agenda. Mr Sinclair agreed that sport contributes a lot, and it is good to be part of the health outcomes but the Government are facing difficult decisions when health is being asked to cut things.

➤ *The Board noted the Executive Management Report.*

For Discussion

7 Sport for Life – Performance environment overview

Mr Whittingham presented on the performance environment. Mr Reid also presented on how the performance strategic plan feeds into the Sport for Life business plan.

The Board commented on the changing landscape and emerging sports and noted that it was good to hear how the High Performance team works alongside Mr Lunn and the SGB team. Mr Whittingham noted that as new sports get added we continue to invest in sports that have been removed from the IOC list. Mr Reid noted that we offer individual athlete support and opportunities, the lead in time can be limited so it is important that we do what is right for Scotland rather than focus on which sports are included in any particular games.

The Chair asked if changing behaviours due to Covid have resulted in any differences in Scotland? Mr Whittingham noted that we were able to help sports with business continuity and athlete support through the use of bio bubbles and in turn fewer athletes contracted Covid. Mental health support was also offered to athletes.

The Board commented that the report was comprehensive and that it was good to hear about the success and projection for the future and reiterated that winning is important, but it is important to bear in mind that it is not the only thing to focus on.

The Board noted that it was good to be reminded of the wider support provided by the staff and asked what are the challenges with the pathway and talent? Mr Reid noted that there are aspiring athletes at all levels in many sports but limited resources mean that all athletes cannot get the best coaching and support.

The Board asked if some sports were disappointed after the Commonwealth Games in Birmingham this year? Mr Reid gave a number of examples and the context behind the results which he explained was very important and would always be part of our considerations.

- *The Board noted the Sport for Life – Performance environment overview.*

8 Business planning and budget development

Mr McKay present an update on the business planning process, identified the key priorities, and highlighted that we continue to embed inclusion in everything we do and develop EDI work. As a prioritisation we are also looking at activities that need to stop and those decisions are being based on what is having the best impact to enable capacity to drive EDI work. A more detailed business plan will be brought to the December Board meeting, followed by a draft at the February Board meeting with the final plan and budget being brought to the April Board meeting.

The Board asked if the budget situation will be clearer in December, Mr Sinclair was not sure. The Chair noted that whilst working on annual budgets all we can do is make presumptions based on what has happened in previous years.

The Board asked if during the business planning process we look at how we influence other bills like the Human Rights Policy and is this something we would want to factor in? Mr Dunlop noted that during our monthly meetings with Mr Sinclair's team we take opportunities when available to look at any relevant Bills to reemphasise the importance of sport.

- *The Board noted the Business planning and budget development paper.*

9 Investment into SGBs and LAs

Mr Lunn introduced the paper, explained the context and the investment into Scottish Governing Bodies

Mrs Lynn presented on the investment into Local Authorities and highlighted the challenges they are facing around recruiting and retaining a workforce and the estate.

The Board asked if there is a common approach being taken to help partners emotional and wellbeing needs and are there bespoke conversations occurring in different regions and specific schools. Mrs Lynn noted that the real benefit of the Program for Government investment is the inclusion projects, and we are working on that approach with local communities. The appointment of Inclusion Officers has shown significant impact and we are taking a wide approach to drive that working with the Strategic Planning team to gather data and evidence the impact of the projects. Work is bespoke to local partners who then determine what is required in specific schools and geographical areas.

The Board asked how we assess the status of relationship and engagement with each Governing Body. Mr Lunn explained our approach which has the partnership manager at the centre of the relationship, other members of the team are engaged as and when required. The Board asked about **sportscotland's** relationship with the SFA and the SRU. Mr Lunn explained that we work at different level with these sports but in general our relationships are strong. Mr Lunn went on to suggest that given Rugby and Football have one year left of current agreements we should use the next twelve months to consider the best way to work with these sports in the future. Mr Dunlop noted that we should invite both bodies to a Strategic Board session to discuss further, this was agreed.

➤ *The Board noted the investment into SGBs and LAs paper.*

10 Research approach

Mr Williamson expressed his thanks to Patricia Horton and her team for their hard work leading our research approach. He explained that we have gathered lots of data without a clear view of why or what we will do with the data, as a result a standardised research approach was introduced which focussed on outcomes.

The Board noted that data is an important factor for understanding but equality in sport is a continuous process so will there be another round of data collection? Mr Williamson noted that currently we are trying to capitalise on other ways of engaging people rather than continuous surveys.

The Board asked if we have an idea of the networks out with those familiar and traditional partners. Mr Williamson noted that this was work in progress and that our EDI approach was helping focus our attention on new and different partners. Mrs Lynn highlighted that Changing Lives currently links up with different groups, like Age Concern and not just sport.

The Board commented on the politics that sit within each of the strands of EDI groups and some of them may not be the most representative even though they are the most visible and vocal. The Board suggested that we need to determine the definitions of EDI and ensure they meet our agenda. Mr Dunlop noted that we have a toolkit which makes clear our understanding of the legal definitions.

The Board suggested that giving schools and young people their own resources could make data gathering much easier, like online forms which could give the school and **sportscotland** data. Mr Williamson noted that there are huge disparities on what schools have access to especially digitally which can cause an issue when collecting data at a national level but this is being reviewed and therefore, we currently collect data and format it in a way that it is most useful for us and LAs.

➤ *The Board noted the Research approach paper.*

For Decision

11 Quarter 2: 2022-2023 Progress Report

Mr McKay presented the report and highlighted that there have been no major changes, but a table has been included on the split of spend as requested at a previous meeting. Mr McKay highlighted that we are tendering for work to meet the equality outcomes but have faced challenges around the number of organisations who responded and we are now exploring different approaches in order to gain a better level of response.

The Chair commented on how good the paper is and that it is very clear and easy to read.

The Board also commends the report and commented that it has become significantly better and more straight forward and thanked the team for the additional disclosure.

The Board noted that staff costs have been reduced and asked if there is any impact on staff wellbeing if their workload has increased. The staffing issue is around housekeeping and bar staff at Glenmore Lodge which has resulted in services not being available at certain periods of time. This reflects ongoing challenges with recruitment being experienced across the hospitality sector.

The Board asked how we overcome challenges when they are identified particularly with partners, for example the national shortage of life guards which will have an impact on all local authorities, could we utilise our networks like Scottish Swimming to help find a solution. Mr Dunlop noted that we do connect and support these conversations are that our emerging work with colleges will have a focus on workforce.

The Board asked about risk appetite and how challenges identified in the quarterly reports are managed. Mr Dunlop noted that the Audit and Risk Committee have been looking at our risk framework and our approach to the management of risks at an environment and strategic level.

➤ *The Board noted the Quarter 2: 2022-2023 progress report.*

Finance:

- 12 sportsotland Group Annual Accounts for the year ended 31 March 2022**
- 13 sportsotland Group Draft Auditors' Report and Letter of Representation**
- 14 sportsotland Lottery Fund Annual Accounts for the year ended 31 March 2022**
- 15 sportsotland Lottery Fund Draft Auditors' Report and Letter of Representation**

Mr Cobb noted that two sets of accounts are produced each year, one for Scottish Government investment and one for National Lottery investment. Mr Cobb highlighted adjustments to the pension fund, the proposed sale of Cumbrae and the movement of the asset from Trust Company back to **sportsotland** Group accounts. Disclosed litigation claims are still at the early stages but the accounting requirement is for disclosure, and we have chosen to put in the highest number that has come from the claims.

Mr Lindsay, Chair of Audit and Risk Committee noted that the Committee have examined the numbers in a lot of detail and had a robust review of all documents with queries submitted in advance of the meeting and solutions and answers provided. The Committee are satisfied that they understood the basis of the pension fund adjustment and comforted by a letter from the Scottish Government. Mr Cobb and the Finance team were commended by Audit Scotland for delivering on time and a step up in quality of the papers that were produced. Both of the reports have no unadjusted errors, the audit report produced three recommendations one has already been actioned, one is around workforce planning and the final recommendation was around being unable to maintain trend reporting due to Covid and access to data. The previous year recommendations were reviewed, three have now been closed off and one is outstanding due to a lack of a medium term financial plan. There are lots of reasons why we are not able to have a plan, but conversations are taking place and we are looking into options.

The Chair thanked the Audit and Risk Committee for all their hard work and the level of scrutiny and noted that it is great to get a good report from the Auditors.

The Board asked if the accounts are presented to Parliament in December and if we are clear on what lines to take if the media misinterprets anything. The Chair noted that he is confident we can answer any questions that are asked.

- *The Board formally approved the Group Annual Accounts and Letter of Representation and the Lottery Fund Annual Accounts and Letter of Representation.*

For Information

16 sportsotland Group and Lottery: Audit Scotland Annual Report to the Board and the Auditor General for Scotland for the year ended 31 March 2022

Noted and taken as read.

17 The Scottish Sports Council Trust Company Annual Report and Financial Statements for the year ended 31 March 2022

Noted and taken as read.

18 The Scottish Sports Council Trust Company Wylie & Bisset Audit Findings for the year ended 31 March 2022

Noted and taken as read.

19 Communications update

The Board commented that it is great to see that there is lots of good work happening but asked what is the communications strategy and what is being achieved? Mr Dunlop noted that we can invite Mrs McCheyne, Head of Communications to a Board meeting and present on this next year.

Noted and taken as read.

20 Audit and Risk Committee draft minutes (August)

Noted and taken as read.

21 Remuneration and Succession Planning Committee meeting draft minutes

Noted and taken as read.

22 Audit and Risk Committee meeting draft minutes (October)

Noted and taken as read.

23 Any Other Business

The Chair updated that Mr Fairweather, Head of Performance Solutions, has been awarded an honorary PHD from the University of Stirling in recognition of his work in special projects and innovation over the past twenty years. The Chair asked Mr Whittingham to pass on the Board congratulations to Mr Fairweather.

The Chair updated that the annual Scottish Sports Awards has now merged with the Team Scotland Awards which will take place on Wednesday 7 December and all Board members will receive an invitation.

24 Date of Next Meeting: Wednesday 7 December 2022 (Oriam)

There being no further business, the Chairman closed the meeting and thanked everyone for attending.