

The Scottish Sports Council Trust Company
Company No. SC137068 Charity No. SC020175
Meeting held 16 May 2024 at 10:00am, Glenmore Lodge.

Present

- Ms Maureen Campbell, Chair (“Ms Campbell”)
- Mr Mark Gaffney, Director (“Mr Gaffney”)
- Ms Kirstie Hepburn, Director (“Ms Hepburn”)
- 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 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”)
- Ms Kerry Lochrie, Information Governance and Data Protection Officer (“Ms Lochrie”) (part-attendance)
- Mr Callum MacInnes, HR Manager (“Mr MacInnes”)
- Ms Heather Morning, Chief Instructor, Glenmore Lodge (“Ms Morning”)
- Mr Graeme Randall, Sports Development Manager, Inverclyde National Sports Centre (“Mr Randall”)
- Mr Shaun Roberts, Principal, Glenmore Lodge (“Mr Roberts”)
- Mr Ian Sherrington, Head of Training, Glenmore Lodge (“Mr Sherrington”)
- Ms Victoria Smith, Communications Manager, Glenmore Lodge (“Ms Smith”)
- Mr Simon Taaffe, Financial Controller (“Mr Taaffe”)

Secretariat

- Ms Abi Wood, Legal Officer, (“Ms Wood”)

Apologies

- 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”).

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. Mr Iain Houston, Director, had provided his apologies ahead of time.

Board members Mr Gaffney, 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.

3. Chair – sportscotland update

The Chair provided an update. The last **sportscotland** Board meeting was held on 30 April 2024. This was the last meeting of the departing Chair of **sportscotland**, Mel Young. The Chair noted that he has made a huge contribution to sport in Scotland, has raised **sportscotland**’s profile and leaves **sportscotland** in a much stronger place due to his contribution and leadership. The Chair of **sportscotland** sends his good wishes to the Trust Company Board.

Recruitment for a replacement Chair is ongoing and it is hoped an announcement will be made by the end of May 2024.

The **sportscotland** Board was provided with a financial update on year end and noted **sportscotland** was in a good place. **sportscotland** Board did a scenario planning exercise and it is noted that a similar exercise was on today’s agenda. The Chair expressed the state of public finances will be more of a concern come Financial Year 2025/2026, noting finances would be tough. The upcoming UK General Election and the Scottish Election in 2026 indicate change may be on the horizon and as such various scenarios have been looked at by the Board members to ensure they are best prepared for upcoming events.

The Memorandum of Understanding was also signed off by the **sportscotland** Board. This provides the framework for the continued partnership between the Trust Company and **sportscotland**.

The Chair also highlighted that the **sportscotland** Board heard an update on Cricket Scotland, on EDI; looked at further financial planning and reviewed the Health and Safety/Risk Registers.

Ms Sandilands, who also attends the **sportscotland** Board, noted there was good conversations at board level regarding women and sports.

Mr Sadiq sought clarity around the decision made for Cricket Scotland. The Chair explained that the Board approved that Cricket Scotland move out of special measures to enhanced oversight via specific investment conditions; subject to Cricket Scotland agreeing to the conditions listed in the sportscotland investment agreement, comply with the condition in relation to development and approval of an EDI and Anti Racism strategy and continue to evidence progress in relation to the Changing the Boundaries report.

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 First Meeting of 2024, held on 8 February 2024.

THE BOARD APPROVED the minutes of the previous meeting.

5. Matters Arising

There were no matters arising following the previous meeting as all actions were taken as read.

For Discussion

6. Data Protection and Information Governance – Kerry Lochrie

Ms Lochrie explained her role within **sportscotland**, ensuring **sportscotland** maintains compliance with data protection legislation and the Public Records (Scotland) Act 2011. She ensures compliant guidance and policies are in place and that staff are aware and adhere to these policies through training.

Ms Lochrie identified the variety of information governance training offered to staff, highlighting recent in-person training delivered at both National Centres. Ms Lochrie noted the importance of making training relatable and scenario based. She has worked with the communications team of **sportscotland** to get data protection news into 'Inside Track', **sportscotland**'s internal newsletter, and providing practical data protection tips for staff. These included advice for staff that can be used in both their personal and professional lives.

Ms Lochrie referred to the paper she produced. There is very 'light' data for the two National Centres. There has never been a Subject Access Request (SAR) for the National Centres and the occurrences of data breaches are very low risk and administrative in nature. For the last couple of years, the ICO has not needed to be informed of any data breaches at the National Centres due to this low risk. If there were repeated errors being made or a spike in SARs, Ms Lochrie would engage with the senior management at each centre and look to deliver tailored training. Ms Lochrie is also working with ICT to implement a cyber risk register and is supporting project management.

Ms Lochrie agreed to produce a biannual report for the Trust Company.

THE BOARD NOTED the contents of the Ms Lochrie's report.

Action: Ms Lochrie to provide a biannual report, with the next one in November 2024

7. Quarter 4 Reports:

7.1. Trust Company Finance Q4 2023-24 and budget 2024-25, including planned capital expenditure – Simon Taaffe

Mr Taaffe presented the following to the Board:

As at the end of the 2023-24 financial year, there has been increased trading at Inverclyde and Glenmore Lodge compared to prior year. Glenmore Lodge is up by 20%, Inverclyde is up 18%. Both National Centres beat the Q2 refresh 2023-24 budget targets. Glenmore Lodge is up £147k after a strong final quarter and Inverclyde up £60k on the Q2 refresh budget.

Both National Centres finished the year over budget for expenditure against the Q2 refresh budget, largely due to the additional costs of servicing the additional income. Costs compared to prior year increased 13% at Glenmore Lodge, 12% at Inverclyde, and 29% at Avalanche and Mountain Weather services.

sportscotland revenue investment for the year is £3,523k. The capital investment was a further £620k. Corporate services end of year recharge came to £492k. Litigation charges were an additional exceptional charge of £676k.. The total investment figure is £5.311m from Scottish Government funding.

The budget for 2024-25 (shown in appendix 1 of the report) considers the reduction of employer's pension contributions plus some small changes noted. £775k has been budgeted for Capital spend in 2024-25 and £723k has been allocated at this stage. If further Scottish Government funding becomes available, more projects can be undertaken.

Mr Taaffe invited the Board to note those results and approve the reworked budget.

Mr Sadiq queried the situation with pension contributions. Mr Taaffe explained there is a defined benefit pension scheme within **sportscotland** and the Trust Company. The year ended in the pension scheme being in a surplus meaning there could be a temporary reduced investment into the pension scheme for the same payout. This gives **sportscotland** more savings helping activities go ahead that would have otherwise been pushed back and funds have been brought into the wider budget. Ms Barrington commented that the pension surplus has prevented difficult decisions at present, allowing those more difficult decisions to be planned and reviewed. The focus is very much now on a 3-5 year plan on making decisions, some of which are tough. This is a fortunate short term position and it calls for strategic planning.

The Chair commented that the pensions saving, and planned use of National Lottery balance means that **sportscotland** can support activities where they thought they could not and this is reflected in the scenario planning. Mr MacInnes further noted discussions are being held with the Union about the pension situation at present.

Ms Sandilands commented that this was good financial management and meant not having to make some difficult decisions at this point and time has been made to plan what to do going forward.

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

7.2. Glenmore Lodge – Q4 2023-24 – Shaun Roberts

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

Mr Roberts was pleased to report a successful Q4 and thanked the team at Glenmore Lodge for their planning, preparation and delivery throughout.

To be more resilient, Glenmore Lodge adjusted their offer to suit both the Q4 market and the changes to weather. Weekly weather meetings were held, and real-time adaptations being made for programmes, when required.

Mr Roberts highlighted 11 courses had to be cancelled, impacting 54 clients, due to weather conditions. Adaptations to cancelled courses were offered and customers still came. Mr Roberts noted the continued efforts of the Chief Instructor and administration team in managing this and adapting programmes to ensure Glenmore Lodge remained resilient.

There was an 'uptick' in Q4 and the actions taken this quarter will be used to model future training and learning at Glenmore Lodge. It has taught them where they need to have additional focus. The team are already planning towards offering different services, responding quickly to weather changes.

Mr Roberts noted he would bring the seasonal report regarding the avalanche service at the next Trust Board meeting in August.

Mr Roberts referred the Board to the up to date figures contained in the report and noted in terms of delivering qualifications in the winter, the Centre continues to deliver a significant number of key courses for the sector as a whole.

Mr Roberts passed to Ms Smith to provide an update on the Glenmore Lodge website. Ms Smith noted that the website is due to go live on 27 May 2024. Glenmore Lodge had logins to the website and were carrying out testing to prepare for the launch.

The Board discussed the website in detail with Ms Smith. The Chair asked if social media would be utilised to advertise the new website? Ms Smith confirmed it would be and information of this would be circulated to the Board.

Ms Barrington explained the opportunities brought by the website. The first was that it would bring about a new user experience and secondly it would significantly release capacity of staff at Glenmore Lodge to focus on other areas of the business due to the streamlined processes brought by the website. As such, this should increase revenue whilst freeing up on site activity.

Mr Roberts explained the need for the website to participate alongside the rest of the sector. In the UK, sales in the sector were 23% down. Its evident that parts of the

sector are dropping prices to drive volume. There was also less customer loyalty than previously. Glenmore Lodge thus works harder for every customer and is continuing to review statistics and trends, and adapting as such, to ensure they are competing well.

Mr Sadiq complimented the operation and facilities at Glenmore Lodge and passed on positive feedback from customers he met whilst at the facilities. He then went on to query how equality, diversity and inclusion (EDI) data is captured by Glenmore Lodge? Mr Roberts explained there was limited data captured at booking stage, however, Ms Smith confirmed EDI data would be captured through customer and user surveys. This followed **sportscotland** guidance. Ms Barrington further clarified that work was underway in this area at how best to capture EDI data, whilst also complying with data protection legislation. Mr Sadiq stressed the importance of EDI data and ensuring that the Trust Company was compliant with their obligations on this front.

The Chair hoped the new website would draw in new users, including people who are currently underrepresented. She asked if there was anything being done locally to advertise Glenmore Lodge ie with signage? Ms Smith confirmed new signage was going up for Glenmore Lodge, including QR codes and information about the bar. It is hoped this signage would generate more customers.

THE BOARD NOTED the contents of Mr Roberts' report.

Action :Mr Roberts noted he would bring the seasonal report regarding the avalanche service to the next Trust Board meeting in August.

7.3. Inverclyde – Q4 2023-24 – Barry Fleeting

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

Mr Fleeting highlighted that Inverclyde had had a great year, with income above £2m for the first time.

Mr Fleeting noted, however, they did face challenges, including increased costs, explaining electricity was up by 76% and salary costs were up significantly following the pay award.

Occupancy was up by 9%, with Q4 having 52% occupancy despite Q3 and Q4 usually being quieter periods for Inverclyde. 105 residential groups visited, including 35 schools from 8 different local authorities. For the full year, Inverclyde engaged with 16 local authorities from across Scotland.

Looking to capital investment, Mr Fleeting noted the gymnastics roof was completed. This was a significant piece of work but was essential to the continued operation of Inverclyde.

In terms of incidents, 57 minor incidents were reported. Mr Fleeting had sight of all these incident reports and inputted as and when further action was needed.

Regarding sale of Cumbrae, there is an interested party who is working through a planning application.

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

The Board went on to discuss the content of both Q4 reports.

Ms Sandilands thanked Mr Fleeting and Mr Roberts for their reports, noting both are very data heavy. She referenced the difficult financial years ahead and the need for savings to be made. She queried if either Mr Fleeting or Mr Roberts had identified specific critical indicators of success that could be used to show the National Centres were meeting their goals?

Mr Fleeting highlighted that he was supportive in trying to identify what these success indicators would look like for Inverclyde and that Ms Sandilands raised an important question. Mr Fleeting agreed that in absence of this, the report for Inverclyde contains a lot of data in order to establish both financial success and success in the function and purpose of Inverclyde.

Mr Roberts agreed that Ms Sandilands raised an important question. He suggested success could be measured through volume (ie customers, bookings, occupancy) but it could also be measured on qualitative indicators, such as EDI. It was unclear which one of these should have a broader impact, but Mr Roberts identified for him, it would be a mix of both. He noted that critical success indicators may be identified through scenario planning.

The Board discussed possible success indicators. They identified how this is measured in other organisations and noted that there may sometimes be tension in distinguishing between financial and other types of success. There also needs to be a balance between the sporting and non-sporting elements and how these work to support one another and how this all fits into a sporting context.

The Board went on to briefly discuss long term planning and decision making prior to the next agenda item. Mr MacInnes identified that he was conducting a workforce planning exercise with Glenmore Lodge and that this may assist in long term planning and also establishing critical indicators of success. He noted the HR team would be happy to conduct a similar workforce planning exercise with Inverclyde if appropriate.

8. sportscotland and Trust Company scenario planning – Neville Cobb

Mr Cobb introduced the session with reference to the papers before the meeting split into two working groups to streamline discussions. Mr Cobb took the **sportscotland** board through some of the scenarios at the April 2024 meeting. He noted scenario planning was going to be a key part of the main **sportscotland** board agenda for the next few months. He noted, although in a good financial position at present, it is estimated **sportscotland's** budget will become strained in the next few years, particularly as payroll costs are likely to continue increasing. This may impact the investment provided by **sportscotland** to the Trust Company.

Mr Cobb explained scenarios that have been developed for the Trust Company:

- Scenario 1 - The current trend - income growth of 3% per annum and expenditure growth of 3% per annum. This requires continued increase in revenue investment.
- Scenario 2 - Constant revenue investment - trading income would need to grow by 5% assuming expenditure increases by 3% per annum and capital investment stays static.
- Scenario 3 – Reducing revenue investment - Trading income grows by 10% and only salary expenditure increases by 3% per annum, with non-salary expenditure staying unchanged.
- Scenario 4 - sportscotland revenue investment reduced 10% year on year. If cost assumptions were that only salary expenditure increases by 3% per annum, with non-salary expenditure staying unchanged, this would require growth of income of 10-14% across the period.

It was noted that scenarios 1 and 2 are not sustainable as **sportscotland** needs to look for reductions in the level of investment in order to balance the **sportscotland** budget.

The breakaway groups discussed the Trust Company's options for managing the level of investment from **sportscotland**, considering the scenarios as presented and looked forward to the next steps of medium-term financial planning.

GROUP 1 – looked at Inverclyde.

- Discussed utilising/creating more bedspace, conducting outreach and reviewing pricing.
- Further discussions about marketing and using social media for storytelling.
- Look at optimising occupancy at quiet times, such as Sunday evenings.
- Look at management of utilities costs through investment in sustainable heat and light options

GROUP 2 – looked at Glenmore Lodge.

- Would want to maintain core ethos and be seen as industry leader despite challenging financial scenario.
- Discussions were held about bringing new groups to Glenmore Lodge, upselling and premium pricing.
- Need to look at how to make best use of residential accommodation and optimise occupancy and revenue from courses at the Centre
- Need to look at how to reach a much wider demographic of customers and activities in order to broaden the income portfolio and reduce the reliance on fourth quarter income
- Review how to get best value out of instructor time in order to optimise revenue for Glenmore Lodge campus

It was noted that the national centres will need to develop the options for managing the **sportscotland** investment downwards over the next few months and that they will need to bring a detailed paper on this to the August 2024 Trust Company Board, prior to the discussion on the Trust Company investment at the **sportscotland** Board later in the year.

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

Action: Mr Fleeting and Mr Roberts to work with Mr Taaffe and Mr Drummond to bring a paper on Medium Term Financial Planning and managing the level of sportscotland investment to the August 2024 Trust Company Board, prior to the discussion on the Trust Company at the sportscotland Board later in the year.

9. Glenmore Lodge Estate Development 'Creating a destination' – Shaun Roberts

Mr Roberts presented on the Glenmore Lodge Estate development.

Mr Roberts explained that there is history in every 15 acres of Glenmore Lodge, explaining the basic footprint of the original building built in 1957 is still there foundationally. He noted the report expressed the intent regarding estate development and was not aiming to be a finalised plan with a finalised budget. Each development investment would need an individual approved business case.

The aim for the estate development is to align Glenmore Lodge's physical assets with business needs. The new website is significant towards these goals. However, the Glenmore Lodge estate and facilities need updated to bring in greater footfall and allow Glenmore Lodge to broaden its visitor base beyond their current demographics which would improve inclusion within sport and align with the outcomes of a National Centre.

Glenmore Lodge has worked with an architect and has established indicative plans and concepts to help find credible solutions and future investment options. At present, it is making development changes within its refurbishment schedule, having previously piloted small scale refurbishments for example to create new event and meeting rooms. This has provided more space, particularly in busy periods, and more opportunities for events to run side-by-side with training delivery.

The Chair asked if there was a way where Glenmore Lodge could provide data to the Board on how changes generated growth. Mr Roberts and Ms Clarke agreed they could provide this data for the Board.

THE BOARD NOTED the contents of Mr Roberts' report.

Action: Mr Roberts and Ms Clarke to provide data to the Board on how changes generated growth.

10. Sustainability and the National Centres - Barry Fleeting and Shaun Roberts

Mr Fleeting and Mr Roberts provided an update about sustainability and the National Centres.

They noted that both national centres are different in style and structure, but both are aware and work towards sustainability and net zero. Inverclyde is a newer building and Glenmore Lodge is more traditional. As such, they address sustainability slightly differently, with Glenmore Lodge requiring more changes to infrastructure to allow for further sustainability on site.

Both National Centres have contributed to **sportscotland's** annual sustainability reporting since reporting commenced. The National Centres are aware of their corporate social responsibilities and the push for **sportscotland** (and the Centres) to be net zero by 2045.

Investments (seen in Appendix 1 of the report) have been made to improve efficiencies across both National Centres. This includes things like LED lighting for both centres. There has also been proposed infrastructure changes for Glenmore Lodge such as the installation of solar panels.

Looking towards future planning, there are limited financial resources available to expedite sustainability efforts. There have been realisations regarding implementation of sustainability efforts, such as the cost of replacing parts of wind turbines is high, so this may not be an effective solution long term. Both centres will create a sustainability plan to assist with achieving net zero by 2045.

The Chair commented that sustainability is important. Driving energy costs down is likely where both National Centres will see the biggest benefit, however, it is important not to lose sight of other important sustainability efforts such recycling and focusing on bringing sustainability into the customer journey.

Both National Centres acknowledge that further work is required to understand the costs and associated future savings in cost and consumption.

THE BOARD NOTED the contents of Mr Fleeting and Mr Roberts report.

11. Update on avalanche investigation – Rachel Barrington and Shaun Roberts

Mr Roberts gave an update on the Avalanche incident investigation.

There have been three independent reviews of the Avalanche incident. All these reviews findings and recommendations align with the ongoing actions taken by Glenmore Lodge. Glenmore Lodge also remain engaged with relevant sporting governing bodies so good practice for any future investigation within the sector and for sharing its learning from the investigation process.

Ms Barrington noted that advice will continue being sought from the internal and external legal teams on any follow-up actions.

THE BOARD NOTED the contents of Ms Barrington and Mr Roberts update.

12. Internal Audit Report – Health and Safety – Barry Fleeting and Shaun Roberts

Mr Fleeting explained that the National Centres have worked through the health and safety internal reporting process with the auditors, the report is for **sportscotland** overall and shows significant improvements. It is reassuring to know the National Centres are in a better place than previously. The auditors did identify a number of improvements.

Inverclyde is working to improve on its incident reporting. Mr Fleeting has sight of all incident reports in the last quarter. This assists in identifying where follow up action needs to be taken and how to make that change. Inverclyde will continue to work on this aspect as per the Internal Audit Report. Inverclyde is also working on updating their current risk assessment. They are undertaking a full review and utilising SharePoint to create a filing structure for risk assessments.

The Chair noted the overall rating and stressed the importance of staff completing e-learning. This comment was reflected by the rest of the Board.

THE BOARD NOTED the contents of the Internal Audit Report.

13. Trust Company Audit Planning Memorandum - Simon Taaffe

Mr Taaffe noted that the audit of the Trust Company is underway.

Mr Taaffe referred to the Audit Planning Memorandum included in the papers and stressed the importance of Board Members to get in touch about any fraud.

14. Any Other Business

The Chair noted that Mr Gaffney had decided to step down as a Director, due to pressure of other activities and has officially resigned as per Article 59(e) of the Articles of Association. The Chair noted her thanks to Mr Gaffney on behalf of the Trust Company for his contribution to the Board.

The Chair recorded her thanks to Mr Cobb for his support to the **sportscotland** Board and to the Trust Company and its Board over the last nine years and wished him well in his retirement.

15. Date of Next Meeting:

8 August 2024, Inverclyde National Training Centre.

ACTIONS

| Item | Responsibility | Detail | Progress |
|----------|--|--|-------------|
| May 24/5 | Ms Lochrie | Ms Lochrie to provide a biannual report, with the next one in November 2024 | November 24 |
| May 24/7 | Mr Roberts | Mr Roberts noted he would bring the seasonal report regarding the avalanche service to the next Trust Board meeting in August. | August 24 |
| May 24/8 | Mr Fleeting, Mr Roberts, Mr Taaffe and Mr Drummond | Mr Fleeting and Mr Roberts to work with Mr Taaffe and Mr Drummond to bring a paper on Medium Term Financial Planning and managing the level of sportscotland investment to the August 2024 Trust Company Board, prior to the discussion on the Trust Company at the sportscotland Board later in the year. | August 24 |
| May 24/9 | Mr Roberts and Ms Clarke | Mr Roberts and Ms Clarke to provide data to the Board on how changes generated growth. | August 24 |