

## Executive Summary

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In this document the Board of Tennis Scotland sets out its proposals for change. For the most part, it relates to a radical overhaul of the landscape and governance of tennis in Scotland in order to improve the sport's ability to deliver its objectives and outcomes, and designed to widen access to the game of tennis and increase participation levels in the Scottish population. Specifically, the proposals are:

- **Proposal 1** - The membership of Tennis Scotland will be expanded to include Places to Play as well as the Districts;
- **Proposal 2** - The powers of the General Meeting will be reduced;
- **Proposal 3** - The Council of Tennis Scotland will be abolished;
- **Proposal 4** - New Positions for Directors with Portfolio will be created;
- **Proposal 5** - Appointments of portfolio holders and the CEO will be by interview after advertisement; the interviewing panel will comprise the Chair of the Tennis Scotland Board and one further nominee from the Board, a representative from the LTA (or their nominee) and a representative from sportscotland (or their nominee);
- **Proposal 6** - The Chair will be independent and appointed after interview;
- **Proposal 7** - Transitional Arrangements (to move from the current to the new governance);
- **Proposal 8** - There will continue to be provision for a Non-Executive Director-subject to a fixed term provision;
- **Proposal 9** - A central fund controlled by Tennis Scotland will be established for the purpose of funding sustainable tennis activity driven by the local development groups; the funding will come in part from reserves released by the Districts and in part from reserves released by Tennis Scotland. It is envisaged that LDG activities will also be funded, from time to time, by funding from specific initiatives of the LTA, sportscotland and Local Authorities

In the pages that follow you will find further extensive explanation of the above and the reasons why the Board believes these changes are essential. This is provided in two ways; initially by way of explanatory and then, at Appendix I, through a series of questions and answers derived from the feedback from the extensive discussions that have taken place within the Scottish tennis community over the past 18 months.

The Board commends these proposals to all those who read this document; and we ask for your support in making the necessary changes to place the sport on a firmer footing to take its ambitions forward and to make tennis a game for all.

### Section I : The Present Golden Era and the Opportunity Arising

The present Board of Tennis Scotland has been in office for just over five years. It came into office at the start of a period of unusual prominence for Scottish tennis. While the success of Scotland's professional tennis players is due to the players themselves and their support teams their continuing success offers future Boards of Tennis Scotland the opportunity to expand levels of participation within Scotland.

Globally tennis is a major participation sport; historically that has not been so in Scotland. The result is that our infrastructure is underdeveloped and annual funding is limited. Some prominent clubs have basic facilities and the majority service a narrow socio-economic group. Participation in schools is extremely limited and local authority provision of facilities has been run down over several decades. Against that background the Board concluded that unless increased funding became available the opportunity for greater participation was more illusory than real. An underfunded piecemeal approach was bound to fail. The strategy was to seek a radical change in the funding model which would enable future Boards a genuine opportunity to expand the level of participation.

Tennis Scotland's principal financial stakeholders are the LTA and **sportscotland**. Both accept the Board's analysis that there is a window of opportunity to expand the profile of and participation in the sport. However the Board and the stakeholders agree that, while there is a huge tennis opportunity, a radically improved funding model is only a pre-requisite; it would be quite possible for increased funding to be frittered away without any permanent legacy.

On that basis the Board believe that nothing of substance can be achieved without four conditions being satisfied:-

**(i) adequate funding (both capital and revenue)**

**(ii) a sustainable vision for expansion**

**(iii) a Board comprising persons with the necessary skillset**

**(iv) a Board with independence; unhampered in its decision-making and delivering both transparency and accountability**

It would be wrong to think that there is a pre-determined slice of funding which is allocated to Scottish tennis by the stakeholders regardless of the quality of vision, strategy, performance and corporate governance. In effect Tennis Scotland competes with other sports for **sportscotland** funding and with other parts of Britain for LTA funding. However for the moment the Murray factor gives Tennis Scotland an edge in that competitive process; tennis has the attention of the nation and the Board and our stakeholders believe that targeted funding could have a disproportionately positive effect on participation levels - if the four conditions mentioned above are satisfied.

The Board believes that a bid for significantly increased funding in both capital and revenue terms (ie the first condition) will be successful if the Board can demonstrate that Tennis Scotland can satisfy conditions 2-4. The Board has spent many hours considering, debating and consulting. It believes that now is the time to provide the appropriate leadership. This document is being promulgated to those who sit on District Boards and District Management Committees and who are in essence the current decision makers in Scottish tennis. Throughout the remainder of this Document the District Board and District Management Committee members are referred to simply as "decision makers". If you are being sent a copy of this Proposal Document **you** are a decision maker at a pivotal moment for Scottish tennis. If the proposed changes are voted through then the present opportunity can be seized; if not then the moment will have passed.

### Section II: The Decision Makers

You are one of a small group of people. The number of British Tennis Members resident in Scotland is **26,616**. You are one of less than 70 decision makers; it is a group which comprises some who are relatively new to tennis administration and others who have been involved for decades. It will take only a small number of the decision makers (possibly less than 15) to be resistant to change (or to do nothing) for the present opportunity to be lost.

The Board is asking for your support; it does not seek that support by concealing its agenda or making false promises. You should understand that these proposals represent a radical change to the corporate governance structure of Tennis Scotland. If the proposals are implemented the Districts (and a number of decision makers) will be the losers in terms of power and influence within the Scottish game. This Document explains why change is necessary if the game is to flourish.

Every decision maker has a love of our sport and some have dedicated decades of their lives to tennis administration. The Board acknowledges that and on behalf of the wider tennis community records its appreciation. However where personal interests could interfere with the decision making process the Board identifies that; and where observations have been made with which this Board disagrees this document identifies that - because your decision must be made on the basis of the merits of the proposals.

### Section III: The Board's Analysis

Tennis Scotland cannot plan to produce Andy Murrays to order. The Board also believes that talk of plans to increase participation misses out an essential step in the process. What can definitely be done is to plan a year on year increase in the number of those who are afforded an introduction to tennis and afforded the opportunity to take tennis up on a more permanent basis. 57,824 (year ending 31 March 2011) Scottish children started Primary 1 in 2011; no accurate figures are available but a reasonable estimate is that less than 10% received an introduction to tennis and have subsequent access to courts and equipment at rates that are within the financial reach of the child's family. A reasonable long term target might be that 80% of school age children have access to that opportunity.

The vision is achievable over time. As will be seen in due course **sportscotland** wishes to operate in four year funding cycles and the LTA is now inclined to do so as well in the case of Tennis Scotland. The vision is not achievable over one funding cycle and probably is not achievable over two. Most of those on the present Tennis Scotland Board are coming to the end of their period in office. The Board wishes to bequeath to its successors a situation in which the four conditions are satisfied and sustainable going forward; and to assist the new Board members in the transition from one Board to another. If the new Board can make progress towards the vision in one four year cycle then it is reasonable to think that stakeholders will be receptive to funding further progress (by further capital investment and annual funding) in subsequent cycles.

Participation goes beyond mere introduction; tennis is a difficult sport and "drop off" will always be a problem. Nonetheless, if there is a "joined up" approach involving Tennis Scotland, local authorities, schools, places to play and the existing Districts it is hoped that with increasing numbers being introduced to the sport regular participation will also greatly increase – although that too is a long term project.

### Section IV: The Four Conditions

#### (i) Adequate Funding

It is said above that the Board decided that any opportunity given by the Andy Murray effect was illusory unless four conditions were satisfied. The first condition related to funding.

A considerable amount of time has been spent in consultation and meetings with the LTA and **sportscotland**. The interface has been with our CEO, David Marshall and our Chair, Gordon Baker. A presentation to the full **sportscotland** Board - an opportunity given to very few sports - was well received. Encouragement has been received from the highest level within the LTA and tripartite meetings of Tennis Scotland, **sportscotland** and the LTA have made good progress.

If that had not been the case the Tennis Scotland Board would not have embarked on the time consuming and occasionally bruising exercise of discussion, consultation and meetings which have taken place over the last 18 months. The Board is satisfied that the first condition can be fulfilled; the Board is also satisfied that it is in a position to fulfil the second condition (a sustainable vision for expansion) but will only embark on further discussions with **sportscotland** and the LTA if conditions (iii) and (iv) are addressed to the Board's satisfaction.

#### (ii) A Sustainable Vision for Expansion

There are four elements to the vision and these are as follows:-

##### (a) Local Development Groups

Ideally every Scottish child should be introduced to tennis at a young age and should be able to access courts, equipment and organised competition. Traditionally a child had an introduction only if the child and his parent sourced a local club. The Board believes that as a result many children who would have found that tennis was their "thing" never did so because they were never introduced to the sport.

The model is for the introduction to be made through the school. Already there are some pockets of best practice in this regard; at least one large club has a development officer and connections with a number of schools in its area. Some club professionals run a "whacky racquets" programme for Primary 1 and 2 children at one or more of the local schools.

In the examples given above the system is "joined up" in that the local club is organised in such a way as to be receptive to enquiries and welcoming when new junior members join. Programmes of coaching and competition are available and the attempt is made to create a culture around the game which encourages player retention.

It is not the intention of this document to describe a fixed national template because there will be variations in local practice. However if the above model is to become the way forward within Scotland then there are a number of elements that have to be in place.

The first is a culture within education authorities whereby access to primary schools is afforded for the purpose of introducing young children to our sport. This in itself involves an element of trust and administrative effectiveness; there may well be issues of insurance and child protection. It is suggested that the administrative burden in liaising with local authorities and schools is best discharged by Tennis Scotland, which can have systems in place, rather than by local volunteers. It is also suggested that there is a greater credibility and acceptability about a programme run under the auspices of the national governing body.

The second element is that any persons who actually run introductory programs within schools have to be good at what they do. No doubt this will be so with a professional coach but that will not necessarily be the case with an enthusiastic volunteer.

The third element is that clubs have to be prepared to receive and encourage any children who decide, through their parents, to join the local club. This is not a challenge in the case of some clubs but the whole point of this vision is that there will be outreach in areas which are presently tennis “deserts”; and the local club may have only a few enthusiasts who would happily contribute to the well being of the club and the sport generally but who are not quite sure how to go about it. In those cases guidance will be required.

Addressing the second and third elements will be the job of the Tennis Scotland field staff; that is their job – it’s what they are trained to do and it’s what they are good at. It will be for them to identify, educate and empower local enthusiasts for whom, at the moment, the only route to involvement is either on the club committee or District committee.

For want of a better name the Board calls these small groups of enthusiasts “local development groups”. Quite how they will be organised depends on local requirements; it might be a few enthusiasts from one club who decide to “evangelise” the local schools in their area. It might be a larger group of enthusiasts drawn from several clubs who decide that they are, collectively, going to “hit” a larger number of schools. There might be assistance from a sports development officer employed by the local authority; where there is local authority court provision there might be involvement by enthusiasts who are not presently members of a club and, almost by definition, are outwith the recognised “tennis family”. In other words it is about spreading the net more widely than has ever been attempted or even contemplated in the past.

Success breeds success. There is no doubt that the most difficult years will be the first few. Much work will be involved in setting up links with local authorities and schools and in training and empowering clubs and volunteers. However once a local development group has been established and a working relationship is in place with the local schools the job of the full-time member of the field staff will have been done and he or she will be free to move on to other projects. Clearly there will be a “maintenance element” but for the most part it is hoped these links will be permanent and self servicing. If they are then it is inevitable participation numbers will increase; at the end of the four year cycle the stakeholders will recognise (i) that much progress has been made with the project that they have supported and (ii) the project is not complete but requires ongoing financial support.

The other point is that as local authorities and schools see success in some pockets they will want that success to be maintained and increased. In modern jargon a successful “brand” will have been created and individuals and organisations are attracted to success. The opportunities for local sponsorship will increase; we have all seen photographs in the local press of people holding a cheque from a local business for some particular project. It seems to the Tennis Scotland Board that any “brand” which involves a programme to expand a high profile sport in one’s local area is exactly the sort of project which will be attractive to local sponsors and even to a Scotland wide sponsor. As the “development brand” matures and receives local and national media interest Tennis Scotland will seek to be alive to any sponsorship opportunities, both local and national, that this presents.

### (b) The Infrastructure

Just as success breeds success so does money attract money. If significant capital funding is made available to improve the infrastructure of Scottish tennis then the first question is whether or not that can be used in such a way as to increase the overall “pot”. The Board believes that can be done.

Local authorities (and their leisure offshoots) are subject to funding restrictions but remain under pressure to expand facilities. Entering into partnerships with other organisations that are able to deliver a contribution to the capital required is an attractive way of local authorities maximising returns achievable from relatively scarce resources. That is particularly so if the investment is part of a wider project to increase the availability of sport within their catchment area; as will be seen from the previous section on local development groups this would in fact be the case as far as local authorities were concerned.

Also local authorities have existing ground and facilities; developing a structure which is already in place is less expensive than acquiring land and building a new structure. So for all of these reasons the Board is hopeful that any funding provided by our stakeholders can be further increased by partnerships with other organisations that are also seeking a return on their own limited resources.

Another possibility is the tertiary education sector. From time to time a sports facility is developed at a university or college – the Board does not exclude the possibility that there is scope for some kind of pooling of resources in such a circumstance.

In short Tennis Scotland must engage at a rather higher level than it has done hitherto with partners who have access to funds. From time to time EU grants are available for various purposes; it is unlikely that grants would be given directly to Tennis Scotland but grants may well be available to supplement funding available from local authorities. Tennis Scotland must be alert to opportunities as and when they arise and that is much easier if Tennis Scotland is (i) regarded as a respected, professional organisation which has a positive image associated with a successful “development brand” and (ii) has access as a respected partner to entities which themselves control and have access to significant levels of funds. Our stakeholders can and will assist in that regard but first of all Tennis Scotland must show itself to be worthy of that respect and to be professional in its approach.

It follows from the foregoing that the Board does not envisage a situation in which grants would be given to clubs solely on the grounds that they “need” new courts or have a clubhouse which is “run down”. On the other hand that is not to say that clubs will not benefit; however the extent of their success in doing so will be dependent to a very large extent upon what they can offer on an ongoing basis to the development “brand” which Tennis Scotland is seeking to develop.

### (c) Adult Participation among “New Recruits”

This has always been a challenging area. Tennis is a difficult sport and skills which are readily learnt in childhood are more difficult to develop as an adult. There is no doubt the Board believes that the easiest target group is the primary school population – partly because of the reasons just given and partly because they are a “captive audience”.

In relation to the recruitment of adults there is a role to be played both by local authority provision and by the clubs in making their facilities available and their culture welcoming and enthusiastic. Nonetheless there is no easy answer in this area and the hope is that, as an awareness of the Tennis Scotland “development brand” increases, this has a “trickle down” effect which draws adult recruits to our sport – possibly through the interest shown by their own children or through accessing new products such as Cardio Tennis and Tennis Xpress.



### (d) The Districts

The Districts in their present form have an important role to play. At present they organise inter-club competition and other local competitive events. They do so very well. It is hoped that, as participation increases, their role as providers of interclub and local competition increases. Reference has been made earlier to a system which is “joined up” and the provision of an appropriate competitive structure is the final link in the structure.

However that will be the limit of the role of the Districts. At the moment the field staff have a line manager who is a full-time employee of Tennis Scotland. They are a professional unit delivering a professional service. However there remains a feeling within some Districts that they can and should give instruction to the member of field staff allocated to the District. The Board believes this is neither appropriate nor desirable. Increasingly the field staff have been operating independently of the Districts and the Board believes that this is the appropriate model for the future.

If there is to be a successful brand created, it has to be done by the professional end of the game assisted by, hopefully, an increasing group of enthusiastic volunteers – hence the concept of the local development groups that have access to professional guidance but that are, in effect, self-sustaining. The Board is very clear on this and, frankly, our stakeholders know that this is the Board’s view.

### Conditions (iii) and (iv)

The third condition is that the Board must have the necessary skillsets. The fourth condition is that the Board must be independent; unhampered in its decision-making and delivering both transparency and accountability.

Both conditions highlight the existing inadequacies in the corporate governance structure. The Board considers that aspects of the present Corporate Governance structure of Tennis Scotland have, because of the unforeseeable opportunity which has arisen, become outdated and not fit for purpose. In order to understand why the Board believes that change is essential it is necessary to understand the existing structure and also the sources of funding which Tennis Scotland enjoys.

### Current Corporate Governance Structure

The existing membership of Tennis Scotland comprises nine Districts. The Districts themselves have a membership which consists of the Places to Play within each District. The voting rights at a General Meeting of Tennis Scotland are dependent upon the number of Places to Play (sometimes referred to as “associates”) within each District. Based on the most recent information available the voting rights at a General Meeting are:-

Tennis West of Scotland	9 votes
Tennis East of Scotland	7 votes
Tennis Tayside	5 votes
North East	3 votes
Central	3 votes
Borders	3 votes
Highlands	2 votes
Ayrshire	2 votes
Dumfries and Galloway	2 votes

In addition the President and Vice President each has one vote.

Four times a year the Council of Tennis Scotland meets. The membership of the Council comprises persons nominated by the Districts. It operates as a point of liaison between the Tennis Scotland Board and the Districts. The Council has no power; its function is to monitor the strategy of the Tennis Scotland Board but if it is dissatisfied it has no power to do anything about it. The power to pass a vote of no confidence in the Board or in a Director lies with the membership (ie the Districts) at a General Meeting.

The Tennis Scotland Board comprises a CEO; the President; the Vice President; four Directors (Portfolio Holders) with responsibility respectively for (i) Corporate Governance (ii) Tennis Operations (iii) Performance and (iv) Marketing and Communications. There is provision for the appointment of a non-executive director at the discretion of the Board; to date (early 2013) that discretion has not been exercised and no appointment has been made. Accordingly there are seven Board members at the present time.

The only member of the Board who is paid is the CEO; that is a full-time salaried appointment. The appointment of a CEO is notionally made by the Board but, in practice, it is unlikely that an appointment would be made without the acquiescence of the LTA and **sportscotland**.

The appointment of the other six directors is in effect by the Districts - albeit by slightly different means. In effect the Council appoints the Vice President and while the President and Vice President are elected and re-elected at AGMs that is a formality. The reality is that the Vice President, once elected, serves a four year term; two years as Vice President and two years as President.

The four Portfolio Holders each hold office for a three year term. The only means of appointment to the Board in the capacity of a Director holding a Portfolio is by election at a General Meeting of Tennis Scotland. A Portfolio Holder can be re-elected but the maximum period of time that a Director can hold office continuously as a Director with Portfolio is six years. The Articles provide for at least one Portfolio Holder to stand down at each Annual General Meeting - consequently in two years out of three one Portfolio Holder stands down and in the third year two Portfolio Holders stand down.

The existing powers of the Districts means that (i) the Board is accountable to their members who are the Districts (ii) the Districts at a General Meeting elect 6 out of 7 Board members and (iii) in effect there is perpetuated a system which results in membership of the Board being taken from a very small pool of talent - in effect creating a closed shop and denying Tennis Scotland access to the skillsets and talents which it needs going forward.



### Tennis Scotland Income Stream

The income of Tennis Scotland is derived from various sources. The two largest contributors are the LTA (which contributes approximately 50%) and **sportscotland** (which contributes approximately 22.6%). The Places to Play contribute approximately 4.5% and the Districts nothing at all. The remainder comes from sundry sources such as sponsorship.

The effect is that six members of the Board are appointed by an electorate which represents a group (ie the Districts) which themselves do not contribute to Tennis Scotland in financial terms but who represent a group (ie the Places to Play) which contribute 4.5%. The LTA and **sportscotland** contribute over 72% of the income stream of Tennis Scotland but have no input in the appointment of 6 out of 7 directors. It may be that in years gone by the LTA and **sportscotland** were content to hand over large tranches of money to volunteers and leave them to get on with it. This current model is clearly not sustainable going forward.

That is particularly so in the present climate in which tennis is better placed than most sports to secure not only an increase in its present level of annual income but also a significant sum annually to address the acknowledged inadequacy in the infrastructure.

#### Problems arising from the current arrangements (and proposed solution)

There have been some challenging management issues in the relationship between Tennis Scotland and the LTA. There is criticism of both sides in this regard; nonetheless alongside a renewed funding commitment associated with the proposed changes the LTA is now working with **sportscotland** and Tennis Scotland to provide a forum for improved operational arrangements structured around clear objectives and outcome targets. This bodes well for the future since we are all on common ground in wanting to make tennis a more accessible and more popular sport.

A further challenge has been the requirement to negotiate annually with both the LTA and **sportscotland** in relation to the budget for the forthcoming year. While the level of funding has remained approximately constant over the last five years the uncertainty has required considerable caution in relation to even medium term financial commitments. Also the requirement to negotiate annually with the LTA has, on occasion, caused friction in personal relationships which, in the interests of both sides, should be harmonious.

Our principal financial stakeholders agree the existing arrangements could be improved. They prefer to move to a four year investment cycle. If such a model can be agreed future Boards will be able to plan on the basis of four year cycles; they will also be secure in the knowledge that, even if difficulties arise, neither stakeholder is likely to “walk away” under immediate notice of withdrawal of funding. That would afford to future Boards a security and confidence which the present Board has not enjoyed.

Also we believe that the LTA and **sportscotland** commitment will be further reinforced through the continuing success in developing tennis in Scotland. Initially, this will be sufficient to allow the recruitment on a permanent basis of two new members of the field staff. The expectation is that this will increase from 8 to 10 the number of full-time employees devoted to development.

There is regret on the part of the Board, the LTA and **sportscotland** that unnecessarily large sums of money are tied up in reserves in the bank accounts of both the Districts and Tennis Scotland. It is unrealistic to expect the LTA and **sportscotland** to make an unprecedented injection of funding into Scottish tennis if significant funds are being held unnecessarily by Tennis Scotland and the Districts.

It is important to be clear about this. The Board believes there is a reasonable prospect of securing significant funding over the next four year cycle to begin to address the inadequacies of the infrastructure; it also believes that there is scope for sourcing additional annual income which will increase field staff resource by 25%. Against that background what is anticipated is that Tennis Scotland will release some of its reserves, that the Districts will do likewise and there will be created a central development fund and enlarged team devoted to development and controlled by Tennis Scotland. The central development fund will not be used for infrastructure improvement nor for annual outgoings. It will be earmarked for development which, in practical terms, means the funding requirements of the local development groups. That might mean payment of expenses to volunteers, provision of equipment, subsidising court fees, subsidising club membership fees and so on; matters that **will provide start-up leverage for sustainable tennis activity**. No doubt the concept will work differently in different places but the ambition will be to widen greatly the natural “catchment area” of tennis from its existing somewhat narrow socio-economic group.

It is unrealistic to expect the LTA and **sportscotland** to make a significant funding commitment unless the existing Corporate Governance arrangements are changed. One simply cannot have 6 of the 7 directors appointed by a body which contributes 0% of the annual income and represents a group which contributes 4.5% of the annual funding; likewise one cannot expect the LTA and **sportscotland** to make the anticipated level of financial commitment *and grant the level of autonomy* which this Board is seeking without acknowledging that they are entitled to significant involvement over the appointments process.

Finally a change in relation to Board appointments would not address all of the problems. There is an inevitable tension in our corporate governance structure which involves nine separate voting blocs – each with its own factional tensions and interests. Our professional staff must try to please and reconcile those tensions and interests and the Board must remember that they hold office on the basis of the ongoing support which they receive. Given the modest financial contribution made by the Districts’ members this situation cannot continue.

The Board is therefore proposing a number of changes, mainly but not exclusively to the existing corporate governance arrangements. The Board also proposes a number of transitional arrangements which, because of the existing Articles of Tennis Scotland, fall within the framework of corporate governance arrangements.

### **Proposal 1**

#### **The membership of Tennis Scotland will be expanded to include Places to Play as well as the Districts**

The Districts will continue to be members but will have the same voting rights at a General Meeting as a Place to Play. The effect of this change will be that the Places to Play will have about 97% of the votes at a General Meeting of Tennis Scotland and the Districts, collectively, will reduce their voting entitlement from 100% to about 4%.

A major function of Tennis Scotland is to work in conjunction with the LTA and **sportscotland** to service the requirements of the wider tennis community in Scotland. Consideration was given to expanding their membership to include every British Tennis Member resident in Scotland. Because there were logistical issues with this it was decided to restrict the proposed expansion to the Places to Play. It appears to the Board that there could be no logical justification for continuing to exclude the Places to Play from membership – particularly as they will have an important role to play in the development of the sport in terms of participation.

### **Proposal 2**

#### **The powers of the General Meeting will be reduced**

At the moment the Board would not survive a motion of no confidence at a General Meeting. At the open forum after the December 2012 AGM important and valid concerns were raised about the accountability of the Board. These are valid concerns and of such importance that it is appropriate to deal with them now.

The Board must be accountable **to the correct people**. The Board should in fact be responsible primarily to the LTA and **sportscotland** and that will be achieved by a system of review agreed between Tennis Scotland, the LTA and **sportscotland**. The members will elect the President and Vice President; that will give to the members a measure of influence on the Board which will greatly exceed the financial contribution of the members to Tennis Scotland operations.

The CEO will remain, as now, a full-time employee. The Board will be entitled to remove him subject of course to any legal recourse which he might have. The question arises about the removal of an under-performing Director with portfolio; it should be possible to remove such a Director. Responsibility for monitoring the performance of the Board lies with the Chair and it is proposed that the power of removal should lie with the Chair but only if he is supported by both financial stakeholders. The members at a General Meeting will also have some powers in relation to what they regard as an under-performing director and those powers are detailed below.

It is normal for members of a Company to have the right to call an EGM. It is proposed that the Board will be bound to hold an EGM within 42 days of receiving a request to do so from 20% of the members as long as, within the members making a request, there is at least one member from three or more Districts.

The powers of the members at a General Meeting will be limited. It should be remembered that the ethos of these proposals is that power will lie principally with the entities that are funding Tennis Scotland.

Nonetheless there has to be some mechanism whereby the members can express concern and require change. Of necessity this will bring the members into conflict with the Board, most of whom will have been appointed with the approval of the LTA and **sportscotland**. To recognise this, the powers of the members at an EGM will be restricted. The powers will be as follows: –

(i) They will have no power in relation to the CEO. The reason is that it is inappropriate for the members to, in effect, dismiss an employee thus exposing Tennis Scotland to legal action.

(ii) In the event of a vote showing that more than 50% of members present (or voting by proxy) and one third of the overall membership wish the removal of the President and/or the Vice President then the Board will require to hold a General Meeting within 56 days at which an election in respect of the position of President and/or Vice President will take place.

However the existing President and/or Vice President will remain in office until that EGM and will be eligible to stand for re election.

(iii) In the event of a vote showing that more than 50% of members present (or voting by proxy) and one third of the overall membership wish the removal of one or more of the Directors with portfolio then that will trigger a new appointment procedure. The appointment will be by the interviewing panel described in Proposal 5.

Any Director with portfolio affected by such a vote will remain in office until the completion of the appointment procedure and, indeed, will be eligible to apply for re appointment.

(iv) It will be possible for the members to amend the Articles. However, in order to do so it will be necessary for 75% of members present (or voting by proxy) and one third of the overall membership to vote in favour of such an amendment. Nonetheless the power will exist for the members, should they wish to do so, to amend the Articles in any way that they think fit. Clearly there would be implications as far as the relationship between Tennis Scotland, the LTA and **sportscotland** is concerned; nonetheless the ultimate power would remain with the members.

### **Proposal 3**

#### **The Council of Tennis Scotland will be abolished**

As noted above the Council is in effect a consultative body with little power. It is intended that there will instead be a six monthly forum at which representatives of the Districts and the local development groups may attend. The purpose will be to benefit from shared experience and to identify and learn from best practice.

### **Proposal 4**

#### **New Positions for Directors with Portfolio will be created**

Of course, the proposed changes in governance and the associated bid for additional funding will only be worthwhile if we can construct and appoint a Board that is fit for purpose and focussed on delivering the Tennis Scotland strategy.

In the initial four-year cycle it is already clear there will be a specific focus on increasing participation and investing in facilities using an approach that is founded on a national (ie Scotland wide) facilities strategy rather than a reactive project by project format.

In that context, and having reviewed the relevance of the current portfolio holder responsibilities, the current Board thinking is that the first of the new Boards should be composed along the following lines in terms of membership:

- Chair (independent)
- CEO
- President
- Vice-President
- Performance
- Marketing and Communications
- Governance
- Tennis Services
- Development (Participation)
- Non Executive Director

### **Proposal 5**

**Appointments of portfolio holders and the CEO will be by interview after advertisement; the interviewing panel will comprise the Chair of the Tennis Scotland Board and one further nominee from the Board, a representative from the LTA (or their nominee) and a representative from sportscotland (or their nominee).**

For the reasons given above the portfolio holders will no longer be elected at General Meetings. Instead these positions will be advertised and no doubt some consideration will be given to increasing the awareness of these appointments among persons who might be talented candidates but who have not been members of District Boards or District Management Committees. Successful applicants would be appointed after an interview process.

It is essential that Tennis Scotland adopt a robust and transparent appointment processes that is open to the market. This will ensure we attract the best candidates with diverse skills and experiences that will be able to drive change and provide supportive challenge. It also provides an opportunity to attract talented people from diverse communities, currently underrepresented on the Board who could provide insight and critique on strategy to attract new audiences.

The Board wishes to be very honest about the effect of this change. While it is probable that some future Portfolio Holders will come from the existing pool (ie District Boards or District Management Committees) the overall effect of the change will be to make it less likely that a person who is a member of a District Board or District committee will become a Director holding a Portfolio on the Board of Tennis Scotland. Likewise individuals who have served for many years and who have in the past been Directors of Tennis Scotland will be less likely to be appointed as a Director holding a portfolio. In that sense the Board are conscious that they are asking some people who are presently in positions of power in the Districts to influence their Districts to vote in favour of proposals which are against their own interests as individuals. There are people who come into that category who have already indicated support for the proposals and the Board wishes to acknowledge its respect and thanks to those who have adopted such an altruistic position.

The Board believes that the case in favour of portfolio holders appointed after advertisement and interview is overwhelming.

At the present time any Director who holds a portfolio is elected by the membership at an AGM. In order to reflect the minimal financial contribution of the membership in comparison to the stakeholders the system will change from election to appointment after interview.

The interviewing panel will comprise (i) the Chair of Tennis Scotland (ii) a nominee of the Chair of Tennis Scotland (the nominee must be a Director of Tennis Scotland – and will usually be the CEO) (iii) a representative of the LTA and (iv) a representative of **sportscotland**.

In the event of the interviewing panel not being unanimous the successful candidate will be the candidate in whose favour the majority cast their vote. In the event of a tied vote the Chair will have the casting vote. However, in order to protect the interests of the LTA and **sportscotland**, they will have a power of veto which can be exercised only if both the LTA and **sportscotland** decide to use that power.

For the avoidance of doubt, subject to the transitional provisions, each Director with portfolio will be appointed for a 3 year term and will be eligible to re apply for one further term only. (ie a maximum of six years.)

### **Proposal 6**

#### **The Chair will be independent and appointed after interview**

At the present time the Chair is appointed from within the Board by a vote of the Board. There will be an independent Chair who will be appointed in that capacity. None of the Directors with portfolio, nor the President or Vice President, nor the CEO will be eligible to be the Chair.

The independent Chair cannot have been a TS Board member within the last three years - or a District Board member or District Committee member within the last three years.

The Chair will be appointed after interview. The interviewing panel will comprise (i) the outgoing Chair of Tennis Scotland (ii) a nominee of the Chair of Tennis Scotland (the nominee must be a Director of Tennis Scotland– and will usually be the CEO) (iii) a representative of the LTA and (iv) a representative of **sportscotland**.

In the event of the interviewing panel not being unanimous the successful candidate will be the candidate in whose favour the majority cast their vote. In the event of a tied vote the Chair will have the casting vote. However, in order to protect the interests of the LTA and **sportscotland** they will have a power of veto which can be exercised only if both the LTA and **sportscotland** decide to use that power.

For the avoidance of doubt the Chair will be appointed for a 3 year term and will be eligible to re apply for one further term only (ie a maximum of six years.)

The members of Tennis Scotland would continue to elect the Vice President who would in due course be the President. However as will have been seen in Proposal 1 above it is proposed that there should be changes in the membership of Tennis Scotland.

### **Proposal 7**

#### **Transitional Arrangements**

At the moment no Director with portfolio may be a Director for more than six years. The intention of the existing Articles was that there would be a rolling programme of retirements with at least one Director with portfolio retiring every year. However, because the existing Articles came into force in December 2007 all the existing Directors with portfolio were elected as at December 2007 and all are bound to retire at the AGM in December 2013.

If the Articles remain in the present form then, out of our Board of 7, 5 will be required to retire as at December 2013. (ie all 4 Directors with portfolio and the existing President.) The Board are satisfied that this does not represent good practice. The LTA and **sportscotland** agree; in particular **sportscotland** has expressed concern about the prospect of multiple departures.

The Board has considered the position of all 4 Directors with portfolio.

Ken Revie holds the Corporate Governance portfolio. It is intended that the major corporate governance changes will be passed by the time of the December 2013 AGM. There are other persons who will be able to discharge the duties of the Corporate Governance portfolio very adequately and there is no reason for Ken to stay on.



Dave Macdermid holds the Marketing and Communications portfolio. This is a portfolio which requires the attention of a professional person with special expertise in this field. The Board feels that Dave's performance in that role has been little short of remarkable; furthermore there is no obvious candidate with remotely similar skills to replace him. During his six-year period he has, among other achievements, revolutionised the Tennis Scotland website, trained Lee up so that Lee exercises considerable PR skills and managed the PR and media requirements arising from the success of our professional players.

These PR and media requirements will continue for the foreseeable future. What is more, if the proposed changes are approved, it is anticipated that there will be a stream of initiatives over the next few years which will require to be PR and media managed for maximum benefit. It has been stated in an earlier part of this Document that the intention is to improve the Tennis Scotland brand and that is an exercise which requires to be done professionally. Dave holds a senior position within the BIG Partnership which is Scotland's largest PR Company. It is not clear to the Board how the new Board would intend to manage developments without Dave's input. The solution of the present Board is to amend the existing Articles in order to extend Dave's period as a Director until December 2015. This is a stopgap measure which will allow the new Board time to consider how they wish to address Tennis Scotland's PR and Media requirements beyond December 2015.

Pat Reid holds the Tennis Operations portfolio. It will be seen from this document that her portfolio is, in effect, being split into two separate portfolios. Pat has devoted an enormous amount of time to her portfolio and it appears to the Board that it would be foolhardy not to take advantage of Pat's willingness to stay on until December 2014 in order to assist what is essentially the splitting of her current role into two portfolios. That is particularly so given that Pat has already seen, on her watch, a number of local development groups being set up. The Board believe that it makes good sense for her to be available as a Board member until December 2014 and proposes that from 2013 to 2014 she holds the Tennis Services portfolio, keeping her watchful attention on matters relating to competitions, coaching and coach development.

Gordon Baker holds the Performance portfolio. He is also the Chair of the Board. During the last five years he, along with our CEO, has been the main point of contact between Tennis Scotland and the LTA and **sportscotland**. If these proposals are accepted then there is an expectation that there will be a significant injection of capital funding into Scottish tennis. There will also be a new and improved relationship between Tennis Scotland and the LTA. It is important for these developments to be overseen, if possible, by the person who has played a pivotal role in the discussions and negotiations. Tennis Scotland has been fortunate to have benefited from Gordon's vision; it is the Board's intention that he should continue to be present as a Board member until December 2014 thus ensuring that the transition to the new arrangements is satisfactory. This will also allow him to play an important role in the appointment of the new Directors with portfolio.

There will be a staggering of the implementation of the new arrangements. This will operate as follows:-

It is envisaged that the changes in the Articles will be voted through at an EGM in the Summer. However there will be a provision that the expansion of the membership will take effect as at the date of the AGM of December 2013. Accordingly the first General Meeting with the enlarged voting membership will be the AGM of December 2013 and until then, as now, the voting membership of Tennis Scotland will be the Districts.

Christine Windmill stands down in December 2013. Ian Conway will take over as President. His successor as Vice President will be elected by the existing method.



Ken Revie stands down in December 2013. His successor will be appointed by the new method. (ie as in Proposal 5)

From the AGM of December 2013 until the AGM of 2014 Pat Reid will be the new Tennis Services Portfolio Holder. Her successor will be appointed in time for the December 2014 AGM by the method in Proposal 5.

From the AGM of December 2013 until the AGM of 2015 Dave Macdermid will continue as the Marketing and Communications Portfolio Holder. His successor will be appointed in time for the December 2015 AGM by the method in Proposal 5.

From the AGM of December 2013 until no later than the AGM of 2014 Gordon Baker will continue as Performance Portfolio Holder. His successor as Performance Portfolio Holder will be appointed by the method in Proposal 5; his successor as Chair (who will be the first Independent Chair) will be appointed by the method in Proposal 6. It is envisaged that the new Performance Portfolio Holder will take office as at the December 2014 AGM and that the new Chair will take office during 2014 and no later than the December 2014 AGM.

The new Development (Participation) Portfolio Holder will be appointed in time for the December 2013 AGM by the method in Proposal 5.

The Non-Executive director (see Proposal 8) will be a matter for the new Board.

### **Proposal 8**

**There will continue to be provision for a Non-Executive Director-subject to a fixed term provision.**

The Board intends to continue to retain the provision of a single NED (Non-Executive Director) position with a view to that being used for specialist inputs based on a fixed-year term to be decided by the then current Board-subject to the fixed term being no more than two years. As an example, on the back of the excellent preliminary groundwork carried out by operational staff in relation to facilities investment, there may be a need in 2014 or beyond to have a Board position to help steer the significant levels of investment being attracted into the game at that time on this front.

Throughout these evolving developments, the Board members will require to be challenged and evaluated to ensure that they are delivering on a much bigger sporting investment agenda than currently exists. The role of the independent Chair will be vital in ensuring that this happens; challenging and supporting the Board Directors in their roles and ensuring stakeholder investment is put to best use and that objectives and target outcomes are delivered.

### **Proposal 9**

**A central fund controlled by Tennis Scotland will be established for the purpose of funding sustainable tennis activity driven by the local development groups; the funding will come in part from reserves released by the Districts and in part from reserves released by Tennis Scotland. It is envisaged that LDG activities will also be funded, from time to time, by funding from specific initiatives of the LTA, sportscotland and Local Authorities.**

This is the only proposal which is not a corporate governance change requiring support at a General Meeting of Tennis Scotland. However we have included this proposal as it is integral to the vision which the Board has for the future of Scottish tennis.

## Tennis Scotland Strategy Proposal

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If proposals 1-8 are approved at an EGM then thereafter the Board will have discussions with each district about the level of contribution which might be reasonable in respect of each District. It should be noted that Tennis Scotland has no power to compel release of funds although it should also be noted that at the same time as these discussions are taking place Tennis Scotland will be seeking to finalise the discussions with the LTA and **sportscotland** in the light of the positive outcome at the EGM. On that basis it is hoped that Tennis Scotland will be able to say to the LTA and **sportscotland** that the Districts have indicated their support not only by their progressive approach at the EGM but also by their constructive approach to the release of funds.

However the Board accepts that those who sit on District Boards and Committees cannot be expected to hand over funds without any guarantee that to do so is proper. On that basis Tennis Scotland proposes to enter into a contract with each District whereby Tennis Scotland undertakes, within a four year period, to return to each District expenditure on development, either in terms of facilities funding or investment in the setting up of local development groups, equivalent to four times the amount contributed by way of the release of reserves. At the stage when discussions take place there will also need to be established a mechanism whereby the honouring of that undertaking can be measured and confirmed.

More detail is given about this issue in the Questions and Answers section.

## APPENDIX 1

### Questions and Answers

In this Appendix the Board addresses a large number of questions.

We have tried to group these into categories that allow the various questions and answers to be read collectively under that category. The four categories are:

1. Governance
2. Finance
3. Development
4. Miscellaneous

Following the responses, and at the end of the document, we have set out what happens next.

There are three broad types of questions and answers included. The first type relates to matters which the Board wishes to address but thinks that these matters are best dealt with in question and answer form. The second type comprises questions or concerns put either at the December 2012 AGM or at the subsequent open forum. All such questions or concerns are addressed below. The third type comprises questions and observations put in written form by one of the Districts. The questions and responses are intertwined under the four categories listed above.

#### **Governance**

##### *1. We are concerned about the lack of transparency.*

Within this document the Board has revealed some information which has, hitherto, not been disclosed. It will be seen that our CEO and Chair in particular have been involved in discussions at a high level. We have sought to, and received permission from those to whom we have spoken to, to issue this document. In terms of disclosure we have now gone further than we did (or were entitled to do) at the December AGM.

However on the general point of transparency the Board does not accept that the membership has a right to know everything which is being discussed and planned; indeed if appropriate governance is to be applied, this simply cannot be the case.

Of course, the members do have a degree of visibility of the Board's performance. A Strategic Plan is set out at the start of the year, an Operational Plan is prepared to show how objectives will be delivered and the Annual Report at the year-end records the performance of the organisation in meeting its targets. The LTA and **sport**scotland hold Tennis Scotland to account on this process and the associated outcomes. Going forward, details of our plans and actions will be available on our website.

##### *2. We don't fully trust Tennis Scotland in having a democratic structure.*

Under the present arrangements there is a Board of 7 Directors, 6 of them having been elected by the existing membership of Tennis Scotland. What is more the Board can, under the existing system, be removed by the membership.

However it should be noted that the proposed changes will reduce the level of democracy. The power of the members will be reduced and there will be a transfer of power to the LTA and **sportscotland**. The Board believes that this is an inevitable development given the significant injection of funds which Tennis Scotland will receive.

### 3. We must see a consultation document, providing us with aims and objectives

That request is reasonable enough; as will be seen putting together a full document has been a significant undertaking and it was hoped that it would be possible to avoid that requirement. But this is it; you have it available to you now!

### 4. Make two positions on the Board available for "ordinary club members" to sit on the TS Board

Absolutely essential. There has to be a link with ordinary club members. The proposed changes allow the new members (i.e. over 95% of which will be the clubs) to elect their representatives – those will be the President and the Vice President. They will serve on the Board as per the current two-year tenures.

### 5. Who will the Tennis Scotland Board be accountable to if the Districts and Council have been removed?

The CEO and Directors with portfolio will be accountable to the LTA and **sportscotland**. The President and Vice President will represent the interests of the members. The new independent Chair will hold each of them to account in terms of Board performance. Also the membership will have powers (as explained in Proposal 2) to pass a motion at a General Meeting which will almost certainly result in the departure of one or more Board members.

### 6. Why can we not see the **sportscotland** Audit Report

The governing body audit report is commissioned by **sportscotland** for the purpose of satisfying **sportscotland** that public money that is being invested in any sport is properly managed. It almost goes without saying that if **sportscotland** was dissatisfied with the proposals and performance of the Board that it would not be discussing additional funding. However, that does not mean that we cannot continue to improve as a sport; and we have taken on board the content of the Audit Report and its suggested guidance for improvement. We intend to implement many of the audit recommendations and there is already an adopted Action Plan for the year ahead.

The Action Plan reflects some of the proposals that we set out in this document including "moving towards appointment of **all** (our highlighting) Board members through an open process with advertisement, written application and a panel interview." The Board does not go quite as far as that in these proposals. It prefers to keep two *elected* Board positions-the President and Vice President - and understands that as long as there is a majority of appointed Directors that this will be a choice which is respected by **sportscotland**.

Members can of course evaluate the organisational performance of Tennis Scotland through the documents referred to earlier since going forward details from our plans will be available on our website.

### 7. The proposed corporate governance changes go too far

The Board feels that until now it has not communicated adequately the strength of its case. It has now done so in this lengthy document. With respect the above observation articulates an approach that is outdated and indicates a failure to understand what is expected of a modern and progressive Sports Governing Body.

### 8. You have never mentioned Counties, what's happening to them?

No change in the present position. Tennis West and Tennis East are both Counties and Districts; they will continue to discharge their functions as a County as before.

North of Scotland and South of Scotland counties exist for the purpose of participation in County Cup. They will function in the way and for the purpose they have always done.

### 9. Complete the TS governance first and then do Phase 3 second

This indicates that the Board has failed to get its message across. Phase 3 is the governance change - although as can be seen the discussions about the freeing up of reserves will follow the proposed EGM.

### 10. You are skirting over democracy and the current Board is a closed shop

There is some truth in that. However unless the membership of Tennis Scotland is prepared to provide significantly in excess of 50% of Tennis Scotland's funding requirement they cannot expect the present democratic arrangements to be maintained.

It is correct that the current Board is a form of closed shop. The changes are intended to address that. While in theory it would be possible for anyone to stand for election the reality is that the very narrow electorate means that election is all but impossible unless one is a District Director or District committee member or otherwise prominent within the Scottish game. So candidates are taken from a very small pool of talent.

That means that the Board is deprived of the necessary skillset or, at best, is dependent on luck. The post of corporate governance director will not present a problem; it is ideally suited to someone with a legal or accountancy background and usually there is more than one suitable candidate.

However the position of Marketing and Communications Director requires a particularly specialised skill set. At the moment Dave Macdermid fills that position but it was purely a matter of luck that someone with his skillset was a member of the North East District and willing to take the position on. Likewise if there is to be a portfolio which has a particular focus on increasing participation that might well be a responsibility which is best suited to a professional person who has experience of such a role in the leisure industry.

By changing the arrangements so that a Director is appointed rather than elected the Board hopes to remove the present closed shop arrangement.

### 11. Why do Districts need to be abolished?

The Districts are not being abolished. However they are being disempowered in favour of the LTA and **sportscotland** and the Places to Play. The reasons for doing that are fully explained in this document.

### 12. You are now trying to create a Scottish Government and local Community Council only and that's not democracy

The analogy is probably fair in that we are proposing to take out "local government". However that does not really have an impact on democracy; it simply recognises (a) the reality of the funding position and (b) that professional staff are best used if they are answerable **only** to a professional line manager as opposed to a line manager **and** volunteers sitting on District Boards and District committees.

### 13. You appear to want a whole new system, similar to a "super soviet controlled system" that's not right

Tennis Scotland has responsibility for the development of tennis in Scotland. If it sees an opportunity then it has an obligation to place that opportunity before its members for approval or rejection. The Board believes the case for change is overwhelming.

The involvement of the Districts provides an extra layer of complexity for the field staff. This adds nothing and, at worst, stifles the initiative of the field staff. If the feeling is that the field staff require instruction from the Districts then, with respect, the field staff do not know their own "patch" and should not be doing the job. Tennis Scotland does not believe this can be said of any member of the field staff.

### 14. You're not transparent, you have denied access to the **sportscotland** Audit Report

We have covered this earlier.

But we are glad to address a related issue. Whether the Board is transparent or honest or trustworthy is in fact a side issue. The question is whether or not the model which is being put before you is satisfactory and appropriate for the next 15 years and beyond. The calibre or transparency of the present Board has nothing to do with the decision which requires to be taken.

The other point is that there seems to be some suggestion that the Board are "up to something". On one level that is completely true – as we have said the time has come to disempower the Districts to the advantage of the LTA and **sportscotland** and the Places to Play.

Even on the basis of the proposed transitional arrangements, two Board members will leave in December 2013, two Board members will leave in December 2014 and a further two Board members will leave in December 2015. The Board members of Tennis Scotland have no personal interest in what happens after their departure but they do wish to bequeath to their successors a development model which is fit for purpose, and supportable by its major funders.

### 15. What is the status now of the Districts and what happens about the LTA's club insurance

We think this document has already answered the first part of this question.

On the issue of insurance there would be no change.

16. My District committee has voted against Phase 3, but from what I have now heard, I'm in favour of the change

Thank you for your candour. It is our fault for not explaining it properly. We hope this document explains things better and that you will now argue successfully with your District committee.

17. We will support Phase 3 at this stage but will withdraw support if the local development groups don't work.

Thank you for indicating that you will support the proposed changes. Districts will remain as members; elsewhere in this Document it is explained how the members will be able to call the Development portfolio holder and indeed the whole Board to account at a General Meeting.

18. Why is constitutional change necessary? If more money comes in then more staff should be appointed to get out and grow the sport

Constitutional change is necessary so that Tennis Scotland can be a more attractive bidder for funding.

There will never be enough staff to do what we want to do. The only model is enthusiastic, trained professional staff working to train and empower motivated and enthusiastic volunteers.

19. If the clubs become members of Tennis Scotland will they still need to become members of my District in order to play in my Districts leagues

That's up to your District to decide. But presumably, if they want to play in the leagues, they will have to conform to your requirements.

20. What will happen if the proposals get a 75% majority but my District fails to support them?

Tennis Scotland is the national association for the whole of the Scottish tennis family. If a District which dissents subsequently embraces the majority view there will be no sanction and it will be treated as if they had been on board from the start.

A more difficult question is what would happen if your District failed to embrace the changes. Tennis Scotland will only go where it is wanted but if within your District there was an enthusiasm among the schools and the clubs and a sufficient number of volunteers then we would carry on with the setting up and funding of the local development groups.

However it must also be said that in this situation Tennis Scotland would have received funds from other Districts and would have entered into a legally binding contracts to inject a significant level of funding over a 4 year period. Honouring that commitment would be a priority. So it would be likely that a District which did not support the proposals would, at least initially, be at a serious disadvantage.



### 21. What will happen if the Districts do not accept these proposals?

Everything will remain the same. Five members of the existing Board will depart in December 2013 when their time is up. Neither the LTA or **sportscotland** will be happy with the loss of almost the entire Board at the same time but there will be nothing they can do about it. The present Board will discontinue the discussions which it has been having with the LTA and **sportscotland**; they will be told only that the Board is unable to deliver the conditions which would allow it to make a meaningful bid for new capital funding and an increased revenue stream. It will not say anything more. However it is inevitable that the LTA and **sportscotland** will understand why that has happened and it is likely that they will draw the conclusion that the membership of Tennis Scotland was insufficiently committed to development of its sport. It may well be that the LTA will find other parts of Britain which represent better value in terms of development; **sportscotland** may well feel that there are other Scottish sports which are more committed to development and which represent better value for public money.

In due course a new Board will be elected. They will be required to deal with the LTA and **sportscotland**. They will need to negotiate funding on an annual basis. They may find that the existing level of support is maintained – then again perhaps not - we have no idea.

The new Board may wish to bid for increased funding from the LTA and **sportscotland**. If it does so it will require to satisfy the LTA and **sportscotland** in relation to value for money. It may put to Tennis Scotland's membership proposals which are similar if not identical to the ones which are presently being put. It is fair to say that the timescales for discussions with the LTA and **sportscotland** are often measured in years rather than months and that is because it takes time to build up trust; and the eventual outcome is of course dependent on budgets because funds are required to be earmarked some considerable time in advance.

Alternatively the new Board may try to persuade the LTA and **sportscotland** that the views of the current Board were utterly misguided, that access to the Board is not restricted to a small pool of talent, that democracy requires that the Board should be answerable to a group which represents entities which contribute 4.5% of the total turnover; that the LTA and **sportscotland** should contribute more than 70% of the turnover and have no input at all in selecting 6 out of 7 Board members; and that it is a good thing for professional field staff to receive direction not just from a professional line manager but also from volunteer administrators. Will the stakeholders be persuaded after everything that has been discussed with the present Board over the last 2 years? The Board prefers that you as a decision maker should form your own view in relation to these important questions.

### **Finance**

#### 22. The Districts' money is the "people's money" and should not be spent on facilities

The Board agrees with that up to a point. Of course what has happened for many years is that the players' levy - which was due to Tennis Scotland - was returned to the Districts. Some Districts were very prudent with those funds. But the notion that the funds in District bank accounts have nothing to do with funds injected over many years by the LTA and **sportscotland** is not entirely correct. However that is in one sense not the issue - the question now is how best to use the reserves.

We may not have made this clear but it is **not** the intention of the Board to spend the Districts' money on facilities - it will be spent on development - there will be a significant amount available for facilities and what will be required is money to fund the activities.

What we are saying is under the proposed arrangements the Districts will be very clear about their responsibilities. Those responsibilities will not include development in that the local development groups will be entirely separate from the Districts. The Districts will be responsible for local competition and for some other limited activities. For example Districts run what they may call “performance squads”. In reality these are training programs for players who are better than club standard but who fall short of national standard. It is intended that the Districts should, if they wish to, continue with such activity.

The point however is that the leagues and local competitions are, or should be, profit-making activities. Clearly the “performance squads” may not be. Nonetheless it is felt that a well run District should be, at the very worst, breaking even at the end of each year. On that basis there is no reason for significant sums of money to be retained in bank accounts by the Districts.

The question arises as to what should be done about this. Clearly the Districts need to keep a “float” for contingencies. How large that “float” will be depends on the size of the District and the activities which it undertakes. Nonetheless it is unrealistic to expect the LTA and **sportscotland** to contribute large sums for facilities when the Districts retain thousands of pounds in bank accounts.

Nonetheless there are challenges in all of this. The first is that the Districts must be sure their Board directors or committee members are acting within their powers in releasing any funds. That will depend upon their Articles or, in the case of a District which is unincorporated, the Constitution. The first stage must be that the Districts say that they are, in principle, prepared to free up funds; the second stage is for lawyers to advise that the District directors or committee members have the power to release the funds. The cost of taking legal advice will be met and to minimise costs Tennis Scotland will nominate solicitors who will give advice; **sportscotland** is making a significant contribution in respect of legal costs.

It is unrealistic for Tennis Scotland to expect the Districts to deposit their money into a central fund without any guarantee about what will be done with it. Tennis Scotland will enter into a contract with each District whereby Tennis Scotland promises to spend on development and facilities within the next four years within the geographical area of each District 400% of any funds released. Having a contractual process of commitment is not new to Tennis Scotland – it already has a contract with **sportscotland** for its current investment. In other words if a District releases £20,000 Tennis Scotland guarantees that there will be spent within the next four years within that geographical area the £20,000 contributed and a further £60,000. Tennis Scotland is also happy to discuss with each District a mechanism whereby the District can be satisfied that this undertaking is honoured. For the avoidance of any doubt there will be excluded from the calculation any element of the salary or expenses of the Tennis Scotland field team.

### 23. We want our money to stay in our District

That is your choice. However we are not sure why you would wish for that to happen. Let us assume that you have £15,000 of reserves and that a reasonable float would be £5000. One option is to hand over £10,000 in the knowledge that Tennis Scotland, at this point in time, can guarantee that the money will be quadrupled and spent on development and/or facilities within your District over the next four year period.

The alternative seems to be to keep the money in the bank or spend £10,000 in your District. Why?

### 24. Tennis Scotland is too distant to manage the Districts monies

We think this suggests a misunderstanding. Tennis Scotland has field staff who work in various parts of the country and we are working to substantially increase this number. We want them to work directly with the Places to Play and with people who are prepared to volunteer. We want to try to channel their energies so that tennis is accessible through the schools and by those means to increase participation and club membership. While that has been done in some places in the past it has not been done as widely as we would wish.

The reserves need to be used at some time. The Board suggests now is the appropriate time because the opportunity exists to set up a sustainable model for development. The member of the field staff, who will have a familiarity with his or her "patch" will be a main player in the allocation; so the idea that the monies will be managed remotely by someone with no knowledge of the local area is incorrect.

### 25. Is the additional funding coming from the LTA and **sportscotland** conditional on abolishing the Districts and Council?

Probably the question is put the wrong way round. The LTA and **sportscotland** are respectful of the independence of Tennis Scotland. They will not dictate to us what our corporate governance structure should look like. However they will need to be satisfied that any bid for increased funding will deliver good value for money.

There have been discussions and presentations about how this Board believes that could be achieved. The stakeholders are well aware of the views of this Board. On that basis this Board could not put together a credible proposal to the LTA and **sportscotland** based on the current corporate governance structure.

### 26. The local authorities have no money and you keep mentioning them

It is not true that the local authorities have no money. It depends at what level dialogue takes place. There is always money available for sport and leisure but the competition among sports is increasingly fierce and Tennis Scotland is working with over twenty LA's that currently invest in tennis. However it is true that money is tight and that the key to a successful partnership is value for money. That is why Tennis Scotland is so anxious to have all the necessary elements in place. On the specific point mentioned above Tennis Scotland is aware of one interesting project which came close to going ahead. One local authority was prepared to provide six-figure funding on the basis that the neighbouring local authority did likewise. Unfortunately the second local authority was not on board – either because it had no funds or because it had other priorities. So yes money is tight but not non-existent. It is worth observing that the outcome might well have been different if Tennis Scotland had been in a position to provide financial support.

### 27. Under 5% of TS annual income now comes from membership

Correct - that is why the present arrangement is unsustainable, and why things must change if the sport wishes to maximise support from the LTA and **sportscotland**.

### 28. What's the legal entity of the Districts money? Can you take it all away?

It's the Districts' money and Tennis Scotland cannot take it away from them. If the Districts want to keep the money they can do so but the Board thinks a major opportunity will be missed.

### 29. What sort of working “float” would be required

That is a matter for discussion. Obviously a larger District will need more than a smaller District. If the Articles are amended at a future EGM we will sit down with each District and discuss this. It is entirely possible that a small District with only small reserves will have very little “spare cash”. If that is so then clearly any money handed over would be a nominal amount. But at the end of the day it would be for the District to decide.

### 30. We would need additional funds in our “float” for our District coach to look after all our mini tennis kids

That is not a problem at all; we think that is perfectly reasonable. However the evidence which we see suggests that Districts leagues and competition can be run at a profit and can support beneficial activities which are nonetheless “loss leaders”. But ultimately that’s a matter for you - we would talk about it and you would make the decision.

But you would have to accept that every £1 retained is £4 which is not guaranteed to be spent on development and/or facilities within your district.

### 31. A key concern is that more resources will accrue to the centre (ie mainly East and West) and no benefit will result for our District.

This is a fair question. You would be failing in your duty as a District if you did not ask that question; your job at the moment is to look after the interests of your District. The Board is very happy to deal with this and, indeed, have added another couple of related questions below.

The Board appreciates your concerns. That is why it is prepared to guarantee that no less than four times the money that you hand over will be spent in your District over the next four years on development and/or facilities. Tennis Scotland will be happy to enter into a contract with your District to that effect; what is more they will be happy to talk to you about a mechanism whereby delivery of that undertaking can be measured.

### 32. This is all about Tennis West and Tennis East. It is much easier to put in place a system in the densely populated central belt. That’s where all of the money will be spent.

Yes and no. Most of the Scottish population live in the central belt – particularly if you include Central District and Ayrshire in that definition.

However the local development group model was selected because it was flexible and could work equally well in Glasgow and Galashiels. What is needed is a receptive and supportive local authority and local schools, enthusiastic volunteers and a local club or clubs that are enthusiastic about increasing membership and participation. If all of those factors are available then one of our field staff will be very capable of showing everyone what needs to be done. After a short while there will be a self sustaining local development group.

Funding will be available if it is thought, particularly by the member of the field staff, that there will be a good return on the investment. A key performance indicator which is not recognised at the moment but which we hope our stakeholders will recognise in future is the number of children who are properly “introduced” to our sport and who have an opportunity to continue with their participation. Obviously participation numbers will continue, as now, to be measured. Our field staff will have targets to meet and it will be their job to identify and create activity where, at the moment, it is limited and non-existent. It will not matter which parts of the country achieve that but it will be measured in order to quantify the improved access to the sport. This will be a key driver of trying to maximise ongoing investment.

33. Tennis West and Tennis East will be handing over large sums. My District has very little money. All of the advantages will accrue to the big battalions. Money will flow to money

In one sense that is correct. A District which is able to contribute £15,000 would be given a guarantee that over a four-year period £60,000 would be spent on development and/or facilities within that District.

On the other hand Tennis Scotland is the national governing body for all of Scotland. A District which had minimal funds to contribute (say £1000) would be guaranteed a return over four years of £4,000 but in reality is likely to receive far more than that as part of a wider strategic national plan. So in percentage terms the major beneficiaries would be the small Districts who would contribute little but would almost certainly receive many times what they put in as part of a national strategic plan.

The amount of money contributed will form the basis for the guarantee but after that the major determining factor will be the commitment and enthusiasm of schools, clubs and individuals in each local area.

34. Why do Tennis Scotland want to collect the per court levy paid by the clubs?

The clubs will be members of Tennis Scotland; that will be their payment in respect of their membership. In any event Tennis Scotland is better placed to undertake that exercise given its administrative resources. This is also in alignment with the current LTA model.

However the intention is not to impoverish the Districts. The expectation is that the income from District leagues and other events will allow the Districts to be self sufficient. We are not aware of any District which runs local leagues at a loss.

35. What will happen to the Tennis Scotland reserves?

Some of the reserves will be freed up. They will be added to the contributions received from District reserves.

However it is difficult to provide a figure for the amount which will be retained in reserves. Tennis Scotland is dependent on external funding, has a turnover in excess of £1.5M and plans to have a staff of over 20, whereas the Districts will have no full time employees and are self funding because they have a product (ie the leagues) which they sell to a captive market (ie the clubs). Tennis Scotland is not in that position and never will be.

Later we deal with the question about what would happen to the LTA funding in the event of a “yes” vote in the referendum. There is no answer to that. There is no doubt that the Board will want to retain sufficient reserves so that future Boards, in the event of a crisis, can have time to consider how it might respond to an unforeseen development.

### 36. No money comes in to our District for facilities development from the LTA. Why? Why would this change?

The question which all stakeholders ask is “Will there be value for money?” That encompasses a number of sub questions. These have all been dealt with in the course of this document. In essence the “value for money” questions involve a holistic approach of looking at the entire product which a governing body offers. If the proposals which this Board put are accepted then the Scottish tennis brand will be a strong one and any funding bid will be highly persuasive.

The Board cannot promise anything to any District in relation to facilities but it would be amazed if its proposals were accepted by the Districts and there was not significant additional funding made available to improve the Scottish tennis infrastructure - which means **every** District.

### **Development**

### 37. Tournaments are on the decrease and there’s no mention of that in Phase 3

Although there are several tournaments where entries are down the overall provision has significantly increased as can be seen from the table below.

Phase 3 was intended to address other issues. It is hoped that the proposed changes will result in a reduction in the financial constraints under which Tennis Scotland operates and an increase in due course in tournament provision. But in the first instance the emphasis will be on introducing more youngsters to our sport; we must get more people playing the game.

AEGON GB PRO-SERIES	3
AEGON BRITISH TOUR	2
AEGON JUNIOR INTERNATIONAL	1
ITF GRADE 3 SENIORS	1
HOME NATIONS CHAMPIONSHIPS (ADULT)	1
HOME NATIONS CHAMPIONSHIPS (SENIORS)	1
GRADE 2 NATIONAL TOUR	2
GRADE 3 REGIONAL TOUR (JUNIOR)	30
GRADE 3 REGIONAL TOUR (ADULT)	12
GRADE 4 COUNTY TOUR (JUNIOR)	79
GRADE 4 COUNTY TOUR (ADULT)	12
GRADE 4 (SENIORS)	4
GRADE 5 & GRADE 6 LOCAL EVENTS	500+
DRAWS4ALL	9 interested venues
REGULARLY COMPETING JUNIORS	3277
	13% increase
REGULARLY COMPETING JUNIORS (20+ matches)	1050

### 38. What input does a club have in respect to your proposed Local Development Groups decision making?

The expectation is that the local development groups will be “manned” by club members and by members of the existing District Boards and committees. It is hoped it will be a delivery mechanism which will lead to an increase in volunteers. It is flexible in that some volunteers may be able to commit only a few hours a year while others may commit many hours each week.

It is hoped that the outcome will be an increase in club membership and activity. It follows that the clubs will, we hope, be actively involved with the local development groups. To that extent the clubs will have a significant input.

However it would be wrong to imagine the local development groups having a committee structure. The emphasis will be on doing rather than talking. The expectation is that almost 100% of the activity will involve time spent at schools or at clubs. Also once the “template” is set up it will for the most part be a matter of ensuring that there is a sufficient number of “feet on the ground” in order that the activities can be adequately manned.

### 39. Our Development has grown over our District, why change it?

We do not doubt that good work has been undertaken in Districts over the years. However there has not been widespread and sustained outreach to the schools nor has there been any widespread and sustained attempt to create local authority/school/club links. Where such effort has been made it has been successful.

In short if there is a successful and sustainable model operating in your District then it should be built upon not destroyed. However, viewed from a Scotland wide perspective, one must conclude that far too few children of primary school age have an introduction to tennis and an opportunity to commit to ongoing participation.

### 40. Will the newly created Development Groups make the final decisions or will it be TS?

The local development groups will be manned by a mixture of professional staff and volunteers. So what does or does not happen will be entirely a matter for the local professionals and volunteers after discussion with the member of the field staff who is allocated to that District. So the final decisions will be taken locally.

However funding will be required. The member of the field staff will have a major input in that regard although he/she will, as you would expect, be answerable to a line manager with responsibility for development throughout Scotland.

### 41. Our District coach is doing a great job, why change that?

We are glad to hear that and hope it continues. This is not about your District coach - it is about extending outreach considerably beyond what any one person can achieve.



42. Our District leagues are extensive and successful. The Tennis Scotland proposals and general attitude towards District leagues is disappointing and not acceptable. It is a key requirement that our District leagues will not be threatened through Clubmark or some other mechanism. No Aegonisation.

We are really glad that you said that. We have no idea where this notion came from. If you think that it came from something that was said by Tennis Scotland then that was our fault.

The Districts organise the leagues very successfully. It is imperative, as far as Tennis Scotland is concerned, they continue to do so. Indeed if we can introduce more youngsters to tennis then hopefully the membership of the clubs will increase and there will be a requirement for increased league activity. That will be particularly so in the young age groups. For the avoidance of doubt Tennis Scotland has no ambition to exert any authority or influence in a field of activity which is very well provided for.

Clubmark is an LTA standard which it wishes clubs to achieve; however we cannot imagine that the LTA would ever wish to sanction clubs who do not achieve that standard; certainly Tennis Scotland would not wish to do so.

We are not sure what you mean by "No Aegonisation". As you know Aegon is a large insurer; it is the LTA's largest sponsor and contributes many millions of pounds for the benefit of British tennis. The LTA, in turn, provides 50% of Tennis Scotland's income. On that basis it is unrealistic to think that one of our Districts could "opt out". But the Aegon sponsorship has been in existence for some years; if something was going to happen – and we cannot imagine what that might be – then it would have happened by now. And even if something does happen the corporate governance changes would not have any relevance to that. The only change would be that you would not be able to complain at Council to our CEO who would, in any event, be powerless to do anything about the complaint because it was an LTA decision.

### **Miscellaneous**

43. It's all a bit woolly

Sorry – we hope it's now a bit clearer.

44. There is no strategic plan, so how can we agree in principle?

The Board now regrets that it did not start off with this document. On the other hand the document would have looked rather different before the recent consultations and the recent open forum session after the December AGM.

However this document is a comprehensive statement of the strategic plan proposed by the Board. We are now entering the final stage of our consultation process to obtain the views of the current decision-makers in the Scottish tennis community.

45. Our District welcomes the initiative to get more money into Scottish tennis and to move towards a four year budget. Has this really happened or is it all “jam tomorrow”?

Good question. Like all discussions and negotiations the deal isn't done until it's done. And no deal is done at the moment. However our Board members have spent dozens of hours in discussion; our Chair and our CEO have spent many hours travelling to and meeting the Districts; many more hours have been spent in discussion with the LTA and **sportscotland**; some discussions have taken place at local authority level so that we have a good idea of the landscape. And of course this document wasn't written (and agreed unanimously by the Board) in 5 minutes.

Remember that with one exception the Board are volunteers like you. We would not have expended the time and energy which we have done if we did not believe that a significant change in the landscape was possible. Indeed in relation to one of our two main financial stakeholders the initial approach came from them not from us. At the end of the day we might be disappointed but if we are we would be astonished and very angry.

46. The forthcoming referendum – will it make a difference to the LTA?

Good question. We cannot give an answer. You will appreciate that sporting bodies will not enter into a discussion about a sensitive political area.

However what we will say is that the proposed changes better position Tennis Scotland in its bid for increased **sportscotland** funding and local authority partnerships. For that reason alone we ask for support.

47. How will you fit over 250 members into the next AGM?

There will be a system of proxy voting so not every member need attend. If indications are that the Tennis Scotland Board room is too small for those intending to attend then we will hire a hall. Frankly we think this is a minor point.

48. Will my District have any exposure or liability to existing employees - ie not part time coaches but those actually on the payroll?

The full timers will become Tennis Scotland employees and Tennis Scotland will acquire liability under the TUPE Regulations.

49. Is this a chance for one of the other Districts to hold Tennis Scotland to ransom by negotiating and selling its support at an EGM in return for a covert promise of a disproportionate share of the cake when the changes come in?

Absolutely not. The Board members are all happy to discuss how they hope things will work out but no member (not even the CEO or our Chair) is authorised to give any guarantees beyond what is in this document. That is why the document is so long!!

**And almost finally...**

Most of the questions the Board received were relatively short and required equally brief responses. The example below is useful because it is more substantial, has been carefully considered in its construction and presents a final opportunity in this document to help explain why the current Board believes that change is required. And so...

*50. My main issue is about the composition of the Board. I think that there ought to be two Board members who have portfolios which relate to delivery of the plans in urban and rural regions, respectively. At the meeting, there was a suggestion that the President and Vice-President might fulfill a role of representing the clubs and perhaps provide such expertise. I think that this is inappropriate and there should be portfolios relating to expertise on delivery at a local level. I think that such expertise should be as voting members. This will help to create some semblance of democracy. Otherwise I am assuming that we would continue doing what we currently do with what funds that we currently have. We would of course want to continue to work with you in a constructive manner as we have tried to do over the last year.*

First of all thank you for thinking about this in detail. The Board accepts that you have to satisfy yourself that the interests of your District are protected at least as well, if not better, than they are at the moment. So your concerns are valid and, we believe, shared by others in the smaller Districts. However the Board does not agree with your proposed solution for a number of reasons.

The Board suspects that the point that you are making is one which is felt keenly by a number of the smaller Districts. Put bluntly there is concern that at worst Tennis Scotland operates for the benefit of the big battalions and at best there is no understanding of the requirements of the further flung areas. So the question is how best to make sure that this concern is properly addressed and to satisfy the smaller Districts on this point.

The starting point is that there is no protection at all at the moment. With the exception of the CEO, the directors are elected by the Districts. Tennis West and Tennis East have 16 votes out of a total of 36 votes. In that regard the smaller Districts are hopelessly outgunned; the Districts who are losing the most power with the proposed changes are the larger Districts who at the moment, if they wanted to, could make sure that they had "their nominees" on the Board. Actually there is no evidence that they have abused their voting strength in any way – quite the reverse in fact.

So at the moment the only power which a smaller District exercises is that it can turn up at the Council and complain. And of course Council has no power, other than in relation to the appointment of the new the Vice President.

The second point is that it is a fallacy to think that having someone on the Board gives any meaningful protection. The present system gives authority to the portfolio holders. They will discuss matters of major policy at Board level but otherwise a portfolio holder is operationally independent. The reason for that is that it was felt that the previous "committee system", which required most decisions to be discussed and approved at Board level, was slow and unwieldy – and also led to a person who was best qualified to take a decision requiring to persuade others who were completely unqualified but who had a vote. Decisions about setting up new local development groups (because some have already been set up) are not taken at Board level. In any event the Board does not want a situation in which there are Directors whose main function is to represent a faction or area within the Scottish game. This frequently leads to a certain narrowness of view in relation to the arguments which are put.

The Board is also not sure about the urban/rural distinction. Inverness, for example, is hardly rural and there are parts of Tennis East which are not urban.

The portfolios are designed to bring to the Board a wide skillset. To take one example - participation (which will include the responsibility for the local development groups) is a discrete area. There are professional people in the leisure industry who have enjoyed great success in increasing participation in the leisure field. This portfolio may require professional expertise in that field at Board level - it is not an area for the enthusiastic amateur.

So the hope and expectation is that all portfolios, once advertised, will be filled by persons who have skills which are specific to the portfolios. With respect it is suggested that the interests of the smaller Districts are best protected by having persons at Board level who bring genuine expertise, who have not been dependent on some Districts for their appointments, and who, at least in some cases, are not associated with one particular District.

That of course does not deal with the issue of “understanding the local issues”. The Board understands that point but doubts if a “Director for the rural Districts” who lived in say Dumfries and Galloway would be particularly well placed to understand the specific challenges in the Highlands. It is suggested that what is needed is a voice in the decision making process which has actual knowledge of the area.

That leads us to the decision making process. The field staff should each “know his or her patch”. The Board believes that is the case already. Each member of the field staff will have targets to meet and, as part of the job, will be anxious to ensure that the “patch” is considered for facilities money and development money. There will be nothing mysterious about the allocation of funds – it will be based on the perceived value for money in terms of the tennis activity created. And there is absolutely no reason why a rural area, properly supported, should be at a disadvantage in this regard.

The decision-making process will involve field staff (who will have every reason to look after local interests), probably a tennis operations manager for the whole of Scotland and either or both of the portfolio holders. Ultimately someone has to make the decisions; the decisions will not be taken at Board level. The aim is to professionalise the decision making process and take it away from well meaning amateurs while making sure that each area has a member of the field staff who can see the possibilities on his or her patch and argue the case. And the process will be overseen by portfolio holders who will be professional people with relevant expertise and who will oversee the effectiveness and fairness of the process.

You want to ensure your District is properly protected and the Board hopes the above explanation about how the decision-making process will work satisfies you. However additional protection can be given by introducing a measure of transparency. As a result of this concern being raised the Board has decided that there should be an annual report to Districts highlighting where the Tennis Scotland development and facilities money has been spent. The Board is not able to bind a future Board unless it does so by means of amending the Articles. Accordingly if support for this proposal document crosses the 75% threshold the Board, when instructing the lawyers in relation to re-drafting the Articles, will ask them to provide in the Articles that there should be an annual report addressing those matters. Clearly in any one year there will be imbalances – it could hardly be otherwise. However if there is a clearly discernible pattern over, say, three years, then that will be obvious. Frankly any clear evidence of partiality would be an embarrassment to the Board and also to **sportscotland** who, when all is said and done, are responsible for all of Scotland. The report need not be a lengthy one but it is suggested that the best protection for the smaller Districts is transparent access to expenditure figures rather than a minority vote on the Board.

We hope that we have persuaded you (and any other smaller Districts) by this answer. However, if we have not, then the obvious conclusion is that Scotland is, at the moment, too divided by District divisions for the proposed changes to take place. The Board did consider the idea of adding a couple of additional directors to the Board but it decided that it should not try to “buy votes” by proposing changes which it feels are inappropriate.

In relation to the President and Vice President it was never the intention that they should bring “expertise” in any particular field. They might do but the issue of ensuring that the Board had the appropriate skill set is addressed by the changes in relation to the recruitment process for portfolio holders.

The intention is that the President and Vice President should have an ambassadorial role to promote the game (representing Tennis Scotland at various events) and also a representative function at Board level. However they will not be representing one particular area or faction. Instead they will function as a conduit for observations, suggestions and concerns within the game. In other words if there is a groundswell of opinion then the President and Vice President will be able to advise the Board in relation to that.

We have talked about democracy in this document. Democracy is not an end in itself – it is a means to an end – which is that the will of the “people” should prevail and that there should be good decisions taken and fairness and transparency in the decision making process. The “people” actually include those who fund the Tennis Scotland operation and that goes well beyond the Districts and their members. It includes those who, for social or other reasons, are to all intents and purposes excluded from our sport. This document recognizes that. The changes proposed are also intended to ensure that good decisions are taken and that there is fairness and transparency in the process.

You are correct in thinking that otherwise the Districts will continue to do what they are doing at the moment.

Finally we are glad to learn that you look forward to working with us constructively. We too want to work constructively with you. We hope that you accept what we are saying in this reply; we both want the same thing and the only difference between us relates to the means whereby we believe that this goal can be achieved.

### 51. What happens now? Will there be another meeting?

The Board has sent this comprehensive document to each District Committee member. We are offering a period of feedback that will close on Friday 12<sup>th</sup> April 2013. All feedback should be in writing. You can discuss or clarify the proposals as set out during that period **in discussion with the CEO or any Board Director if appropriate but ultimately the Board will want any representations to be made in writing by 12<sup>th</sup> April.**

We will gather in any responses and discuss them at the Board in the second half of April. We will then issue a final package of information and documentation in good time for an EGM of Tennis Scotland on 6<sup>th</sup> June 2013.

On the assumption that the changes are voted through in June then part of the motion will provide for the changes coming into effect as at the December AGM. That will allow any contractual matters to be finalised during the summer with the Districts, the LTA and **sportscotland**.

If matters progress over a four-year period in the way that we hope then Tennis Scotland will have a respected development brand, improved infrastructure, increased funding and valid grounds for bidding to its stakeholders for the finance to provide more of the same in the next four year cycle to a country which, we hope, will by then have acclaimed Britain’s first male Wimbledon Singles champion in several generations.

The Board wishes you well in your deliberations.

## APPENDIX 2

### Our Financial Stakeholders

#### The Lawn Tennis Association

**The Lawn Tennis Association (LTA)** is the national governing body of tennis in Great Britain, the Channel Islands and the Isle of Man.

As the governing body, the LTA's overall purpose is to continue to grow and sustain the sport. The success of British tennis is tracked by five headline measures of success: these measures of success gives a regular snapshot of the impact of work the LTA does and helps the organisation understand through trends the progress over a long period of time. The LTA's focus is to develop participation growth to help more people play tennis. The approach to growing participation is based on investment in four main areas:

1. Places – Investing in places to play at parks, clubs, schools and tennis centres;
2. People – Supporting the people who make tennis happen, including coaches, volunteers and club officials;
3. Programmes – Developing programmes including LTA Mini Tennis, Cardio Tennis and Tennis Xpress;
4. Promotion – Bringing together the places, people and programmes to show how tennis is a fun affordable, family sport which is a great way to get fit.

#### sportscotland

**sportscotland** is the national agency for sport in Scotland. We are the lead agency for the development of sport and we have a clear focus on developing and supporting a world class sporting system in Scotland. This section contains information about our organisation and its structure.

#### About us

We are a non-departmental public body, responsible through ministers to the Scottish Parliament. We are also a National Lottery Fund distributor and we are governed by National Lottery distribution rules. We invest Scottish Government and National Lottery resources to develop a world class sporting system in Scotland. We continually strive to ensure these resources are invested wisely so as to achieve best value and maximum impact.

#### Our organisation

**sportscotland** has three directorates: sports development, high performance and corporate services. We deliver from bases across Scotland, including our headquarters in Glasgow, the **sportscotland** institute of sport in Stirling and our regional bases in Aberdeen, Dundee, Edinburgh, Falkirk and Inverness.

The **sportscotland** Trust Company operates three national training centres, Glenmore Lodge, Inverclyde, and Cumbrae. These centres provide quality, affordable and appropriate residential and sporting facilities for people to develop in sport.

## Putting sport first

We invest our expertise, our time and our money in developing a world class sporting system at all levels. We work with partners to develop this sporting system, investing in and joining up the people, places, partnerships and planning that make sport happen:

- **advising** the Scottish Government and supporting delivery of its policies
- **leading, supporting and coordinating** key organisations involved in sport
- **investing** National Lottery and Scottish Government funding
- **delivering** quality products and services in targeted areas
- **promoting** the power of sport and the contribution it makes to life in Scotland
- **collaborating** with UK and international sporting systems to ensure Scottish sport is well represented and integrated
- **adding value** to major sporting events and additional investment

Ultimately, we see a Scotland where sport is a way of life. In everything we do we act in the best interests of Scottish sport - putting sport first.

## Our plan

Our corporate plan outlines the difference we will make to sport in Scotland by 2015 and the changes people will see as we work towards that. It also describes the approaches we will take to make these changes a reality. Our key programmes and our high level indicators are also described in this plan.

## Scotland's sporting system

Scotland's sporting system comprises six key components, all of which are linked and interdependent:

- School sport
- Club sport
- Performance sport
- People
- Places
- Planning and partnerships

Our work programmes are built around these six components, whilst our principles describe how we will hold ourselves to account for our activities and asking for greater accountability in our partnerships with others. Together we will share the risks and the leadership required.