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SCOTTISH RUGBY UNION LIMITED

**MINUTE OF MEETING OF THE BOARD OF SCOTTISH RUGBY UNION LIMITED
HELD AT 11AM ON THURSDAY 28 OCTOBER 2021**

MEETING HELD BY AV TELECONFERENCE

Present:

John Jeffrey	(JJ)	Chairman
Ian Barr	(IB)	President
Shona Bell	(SB)	Chief People and Engagement Officer
Julia Bracewell	(JB)	Independent Non-Executive Director
Mark Dodson	(MD)	Chief Executive
David McMillan	(DMcM)	Independent Non-Executive Director
Malcolm Offord	(MO)	Council-Nominated Non-Executive Director (from Item 4.1)
Bob Richmond	(BR)	Council-Nominated Non-Executive Director
Hilary Spence	(HSp)	Chief Financial Officer
Hazel Swankie	(HSw)	Council-Nominated Non-Executive Director
Lesley Thomson	(LT)	Senior Independent Non-Executive Director

In Attendance:

Robert Howat	(RH)	General Counsel & Company Secretary
Colin Rigby	(CR)	Vice-President (<i>Observer</i>)
[<i>Name of individual</i>]	()	[] (<i>Minute Taker</i>)

1. Introduction & Opening Remarks

ACTION

The Chairman noted that a quorum was present and opened the Meeting.

There were no apologies, it being noted that MO would join the Meeting shortly.

The Chairman referred to the sad news of the passing of Sandy Carmichael, who had made a massive contribution to the game. A few moments were taken to reflect on Sandy's contributions to Scottish rugby.

2. Action List

From People

- i) *Inductees to Hall of Fame – Men and Women* – a number of the previously discussed inductees had been announced, with some announcements outstanding.
- ii) *Invite Dee Bradbury to join Hall of Fame panel* – this has been completed.

From Business

- i) [REDACTED – COMMERCIALY CONFIDENTIAL]

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- i) *Working Capital facility renewal documentation*—completed.
- ii) *Update bank signatory list* – completed.
- iii) *Progress CCTV project* – further information about this was included within the Company Secretary's report.

From Company Secretary Report

- i) *Membership Roll adjustment* –completed.
- ii) *Review further recommended changes to NCRs* –completed.

From Stakeholder

- i) *Provision of extra information by SCOG*– the President would update later in the Meeting.

From Board Committee Report

- i) *Committee appointments* – HSw had now joined the SWDI and Audit and Risk Committees. The Council would also need to appoint a further Council -Nominated Non-Executive Director, who would also need to be appointed to Board Committees, following the recent news of MO's impending departure from the Board and Council. This was discussed later in the Meeting.

3. Minutes of Previous Meetings

The Minutes of the Board's Meeting of 9 September 2021 had previously been approved by the Board by separate resolution, electronically. These had since been published on the Scottish Rugby website.

MO joined the Meeting.

4. People**4.1 People Matters**

The Chief People and Engagement Officer referred to her People and Engagement Board Report, which was taken as read. The following points were highlighted:

- (i) *Employment* – [REDACTED - PERSONAL DATA - EMPLOYMENT/ EMPLOYEE RELATED MATTER]
- (ii) *Furlough scheme* – The UK Government's Job Retention Scheme had closed at the end of September, with Scottish Rugby receiving about £4.7m in support overall.
- (iii) *SLG and Exec Day* – a leadership session had taken place for the Senior Leadership Group and Executive teams. Insights Profiles had been done and discussed to assess how the team worked together with a view to building on leadership skills within the Group. The session was well received and there were plans to hold similar sessions in future.

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(iv) *Reward strategy – [REDACTED – COMMERCIALLY CONFIDENTIAL]*

It was considered that more work could be done to communicate Scottish Rugby's employer credentials on social media and marketing channels. The Chief Executive noted that employees had slightly different requirements coming back from furlough, having worked remotely during the pandemic. Certain areas of the Board's strategy would require upskilling within the organisation, including digital skills, which would present new opportunities for development. Some teams, particularly in Events and Ticketing, were dealing with an increased workload as a result of new paperwork requirements presented by the pandemic.

It was noted that flexible working was now perceived as a key benefit, and businesses in general needed to pay attention to this in order to retain their employees. People did not want to work in the same way as they had done pre-Covid. The Chief People and Engagement Officer and the Chief Financial Officer would look at balancing these desires with ensuring that the operational efficiency of the business remained strong. It was recognised that the more flexibility the organisation could provide, the more opportunity there would be to attract and keep high calibre employees (especially women) into the organisation. The Senior Leadership Group would carry out workshops with their teams to discuss views on future ways of working. Increased flexibility could ultimately increase productivity.

(v) *Employee engagement survey – an employee engagement survey on wellbeing, inclusion and ways of working had been carried out, with the People team assessing the results.*

There followed some discussion on the "Women" aspect of the Board's strategy, where some questions were raised regarding the work being undertaken to progress this. It was thought that there was under-representation of women's voices on the Council and feedback had been received externally to that effect. The Chief Executive explained that [REDACTED – NAME OF INDIVIDUAL] had been appointed to a new, broader role with a strategic focus on the whole of the women's game.

The President noted that he wished every strand of the new governance model to include representation for the women's game, and that this was being looked at. Hopes were expressed that a working group could be created that had a direct line to [REDACTED – NAME OF INDIVIDUAL] to provide feedback. The Council -Nominated Non-Executive Directors were asked to take this point to the next Council meeting for further discussion.

There was a request for a future Board strategy session specifically focussed on the women's game, to discuss what was happening, and what the Board could do to assist. This would take place early in the New Year, with [REDACTED – NAMES OF INDIVIDUALS] being suggested as key participants.

The Vice-President noted that Council was taking the women's game very seriously, with various initiatives being progressed. There was still a lot of work to be done, including canvassing views from women on how they wanted the game to be run. Board and Council needed to get behind the women's team, with increased attendance at women's games as well as men's. The Vice-President agreed to take the points raised back to Council.

CR

REDACTED FOR PUBLICATION**4.1.1 Appointment of CCO**

[REDACTED - EMPLOYMENT RELATED - PERSONAL DATA]

4.2 Safeguarding

The Chief People and Engagement Officer referred to her Safeguarding Report, which was taken as read, with no questions posed.

4.3 Communications, Media and External Affairs

The Chief People and Engagement Officer referred to the Communication, Media and External Affairs section of her Board Report, which was taken as read with no questions posed.

4.4 Health and Safety

The Chief Executive referred to the Health and Safety Report, which was taken as read with no questions posed.

5 Business**5.1 CEO Update**

The Chief Executive highlighted that the National squad was well prepared, and he was happy with the early season performances of both professional teams.

The Chief Executive then provided the Board with short presentations on the following topics:

(i) *Women's game* – The Chief Executive explained that qualification for the Women's Rugby World Cup had now become more complicated with the introduction of a repechage structure for the final stages. It had been the longest women's season ever, which had created increased pressure on the players, many of whom had full time jobs outside of rugby. The Chief Executive wanted to offer increased support to the players. It was noted that should the team qualify for the RWC, some World Rugby funding would be provided to cover some of the costs associated with participation in the tournament.

Each squad member had been consulted on a confidential basis to ask how they could best be supported in the period to the end of the qualification process, noting their individual circumstances. There were three broad groups of players:

- Those players who had full time careers outside rugby who would need to reduce their working hours to accommodate their increased rugby commitments. This would be at an overall financial cost of [REDACTED - CONFIDENTIAL INFORMATION].
- Those players who had some flexibility over their working hours and who were supported by their employers to pursue rugby but needed to take some unpaid leave, at a total cost to them in lost earnings of [REDACTED - CONFIDENTIAL INFORMATION]. In addition, Scottish Rugby would seek to

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provide tickets to the employers in recognition of their support of the women's team.

- A third group who worked flexibly or part time and could accommodate the increased training load with little or no disruption to their employment.

If the team qualified, it was anticipated that a further conversation would take place to assess the level of support required for the period from June to October 2022.

Wider discussions around increased sponsorship and other investments into the game would form part of the Board's ongoing strategy discussions.

As the potential additional support cost was unbudgeted, approval was sought from the Board to support the proposals outlined by the Chief Executive and approve an overall spend of [REDACTED – CONFIDENTIAL] to accommodate those proposals. It was noted that much of the funding would be found within the existing high-performance budget. This was **APPROVED**.

- (ii) *People* – referring to the Board's strategy, the focus on 'digital' and recent recruitment exercises, the Chief Executive considered that there was a gap within the organisation for someone with a specific skillset relating to the data and digital market. There might be scope and benefit to be obtained from employing a Chief Data and Growth Officer or equivalent, and he talked the Board through a typical job description for such a role.

Following discussion, the idea was considered to be sound in principle, with further work being required to assess the level of seniority of the role and what the role should encompass. It would need to complement the other business areas, without overlap. There was a recognition that whilst the traditional marketing and sales methods would remain, new and different audience groups who were highly engaged with technology existed and engagement was needed with them in a different way.

It was also noted that having someone with the skillset identified was also becoming increasingly necessary or common in boardrooms for assurance purposes, with many other organisations making it a requirement within their Board skillset.

Approval was sought by the Chief Executive to create a job specification and carry out some further work, with this coming back to the Board and going through the Remuneration Committee as and when appropriate. This was **APPROVED**.

- (iii) *Players* – [REDACTED – CONFIDENTIAL - PERSONAL DATA]

5.2 *Commercial Report*

The Chief Executive referred to the Commercial Report, which was taken as read with no questions posed.

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5.3 Finance Report

The Chief Financial Officer referred to her Report, which was taken as read. A presentation was shared, highlighting the following points:

- (i) there had been positive financial performance to end of September, with strong income for the Autumn Tests currently being around [*REDACTED – COMMERCIALY CONFIDENTIAL*];
- (ii) [*REDACTED – COMMERCIALY CONFIDENTIAL*];
- (iii) changes to the future layout of management accounts and reporting; and
- (iv) revenue streams which had been impacted by the pandemic seemed to be back on track, and in some instances ahead of budget.

Congratulations were offered to the Executive team for managing such a swift and strong recovery.

5.4 Company Secretary's Report

The Company Secretary referred to his Report, which was taken as read. The following approvals were sought:

- i) *Change of Team Name* - Stirling County RFC had requested that permission be given for the club to re-name its Women's 2XV as Stirling Falcons;
- ii) *Associate membership request* – Associate Membership of the Union for Ayrshire Clan (who worked with able bodied players and players with learning disabilities and who had been supported by Scottish Rugby in their work previously).

In exercise of the powers delegated under the Scottish Rugby Union Bye-Laws to the Board, the applications for change of name and Associate Membership were **APPROVED**, with the Membership Roll to be adjusted accordingly.

RH

The Company Secretary then provided an update on Project Light, [*REDACTED – COMMERCIALY CONFIDENTIAL*]. Under the powers previously delegated by the Board, the Investment Committee had granted authority to the Chief Executive to finalise and then sign the long-form documentation, once satisfied with the contents. The Company Secretary confirmed that the final work was being done with assistance from the Company's external advisers and that the Company's few remaining comments were being suitably addressed. [*REDACTED – COMMERCIALY CONFIDENTIAL*]

There was some discussion on a recent UK Sport report on transgender participation in sport. The Chief Executive explained that World Rugby were reflecting on this report, and he would hope to have some feedback to provide to the SWDI Committee in due course.

REDACTED FOR PUBLICATION**6. Strategy – Progress Update**

The Chief Executive referred again to the recent leadership away day and topics discussed earlier in the Meeting. He would report back further on progress on the Board's strategic plan in due course.

7 Rugby**7.1 Rugby Development**

The Chief Executive referred to the Rugby Development Report, which was taken as read.

The Chief Executive praised the recently appointed new Director of Rugby Development, who was working well with clubs and members of the department. This was echoed by the President and Vice President, who noted the positive interactions which had taken place with clubs and Council.

7.2 Performance Rugby

The Chief Executive referred to the Performance Rugby Board Report, which was taken as read, with no questions posed.

8. Stakeholders**8.1 Governance/SCOG Update**

The President updated the Board on the Governance Review process. SCOG had met five times since the last Meeting to consider all feedback received and consider the next proposal for consultation. A positive meeting had been held with SportScotland to sense check the work the Group was undertaking.

SCOG intended to release all feedback to the Board, Council and Clubs in due course. It felt that this should be considered alongside the next proposal, to provide insight as to what SCOG had been considering.

The next draft proposal had included a smaller, predominantly elected Topco with an oversight function across the organisation.

The Chair and CEO had provided feedback at a recent SCOG meeting, and the Council had also discussed progress at a recent Council meeting. These sessions had been very useful, and a similar session was to be offered to the Independent Non-Executive directors once the new proposal had been provided to them.

The President was hopeful that alignment could be reached with all parties on the next proposal. Once it was ready to go out for consultation, external solicitors would be asked to draft new articles of association to go out with this, as this had been requested by some clubs. External solicitors had provided an advice note to SCOG on aspects of the legal compliance of the structure, and on the steps required for its implementation.

The President provided the current intended timeline for the Governance Review:

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- i) 22 November – commencement of consultation number two with the membership, with the second proposal and draft articles of association being published.
- ii) 20 December - close of consultation.
- iii) 27 December - SCOG to meet to discuss feedback received.
- iv) March would be a likely timeframe for holding an SGM on the finalised proposals, with 5 March or 26 March being identified as potential dates.

The Chairman asked when the meeting with the Independent Non-Executive directors would take place, and whether the most recent proposal that the Chair and Chief Executive had seen was subject to further changes, bearing in mind the points that he and the Chief Executive had raised. Reference was made to the note subsequently sent by the Chairman to SCOG following their meeting.

The President advised that some of the concerns raised by the Chairman and Chief Executive had been taken into account and hopefully a new proposal would be issued by the end of the following week, with further meetings thereafter.

It was requested that before any discussions took place with the Independent Non-Executive Directors, the outstanding action point on provision of the feedback received and the research work undertaken by SCOG, including alternative structures which had been considered and rejected, be progressed. The President confirmed that this would happen. **IB**

A date for the further meeting with the Chairman and Independent Non-Executive Directors would be set as soon as possible. **IB**

8.2 *AGM – Hawks Motion Outcome*

Following the recent AGM, the Board confirmed its position that it continued to consider elements of the motion raised by Glasgow Hawks, if implemented, to be capable of amounting to direct or indirect discrimination under the Equality Act and, consequently, potentially unlawful. It was considered that implementation of those elements in such circumstances would also have significant adverse financial or reputational consequences for the Union. The motion imposed a direction as to finance under Bye-Law 18 and, in exercise of its discretion under Bye-Law 18, and their duties to the Union and the Company as directors, the Board decided not to take cognisance of the element of the motion which imposed the direction as to finance. In coming to this conclusion, the Board again noted the external legal advice obtained on the issue, and that the Board and Council's position had been communicated consistently throughout.

8.3 *Matters from Council/Council Meetings*

The President was invited to comment on recent Council activity. The Council had only had one meeting since the last Board meeting, which was an update from SCOG and discussion on the next draft proposal. Various concerns and opinions had been expressed by Council members, and these would be taken on board by SCOG before producing the next proposal for consultation with members.

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The other item on the Council's agenda was the filling of vacant positions following the impending departure of MO from the Council and Board. The President had suggested to the Council that the Vice-President step into the vacancy that would be created on the Board. This would be subject to further feedback from Council members, respecting the fact that other Council members were also entitled to be considered. The next Council meeting was in November, but the appointment process could be accelerated depending on the feedback received.

The situation was noted, with comment that the Vice-President joining the Board was a positive suggestion, especially in light of his role in the ongoing governance review and knowledge of current Board business through his attendance and role as an observer. Nevertheless, it was recognised that this was a matter for the Council, with the Board to be updated once the Council had completed its deliberations.

MO noted that there would also be a vacancy for the Exiles representative on Council following his departure. The Exiles clubs would be entitled to put forward a candidate and would be asked whether they wanted to do so.

8.4 Audit & Risk Committee – 7 October 2021

LT, as Chair of the Audit & Risk Committee, confirmed that the Committee had met on 7 October, with a summary of the business conducted at the meeting having been provided in the Company Secretary's Report.

8.5 Investment Committee – 13 October 2021

DMcM, as Chair of the Investment Committee, confirmed that the Committee had met on 13 October to review progress on final documentation for Project Light, and had granted delegated authority to conclude negotiations and sign the contractual documentation when the time came, as mentioned earlier in the Meeting. Transaction costs had also been considered as part of the review undertaken.

9. AOB

The Chairman offered congratulations on behalf of the Board to MO following his recent ennoblement and Government appointment. MO was thanked for his positive and constructive contributions to the Board and Council during his tenure and the Chairman wished him well with his future endeavours.

With no further business being raised, the Chairman thanked everyone for their input and closed the Meeting.

**APPROVED BY THE BOARD
24 NOVEMBER 2021**