

SCOTTISH RUGBY UNION LIMITED

**MINUTE OF MEETING OF THE BOARD OF SCOTTISH RUGBY UNION LIMITED
HELD AT 11AM ON THURSDAY 20 JANUARY 2022**

MEETING HELD BY AV TELECONFERENCE

Present:

John Jeffrey	(JJ)	Chairman
Ian Barr	(IB)	President
Shona Bell	(SB)	Chief People and Engagement Officer (from 12.30pm (Item 8))
Julia Bracewell	(JB)	Independent Non-Executive Director
Mark Dodson	(MD)	Chief Executive
Bob Richmond	(BR)	Council Nominated Non-Executive Director
Colin Rigby	(CR)	Vice-President and Council Nominated Non-Executive Director (from 11.30am (Item 4))
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
[NAME OF INDIVIDUAL]	[]	[](Minute Taker)
Gemma Fay	(GF)	Head of Women & Girls Strategy (Item 9 only)
Gregor Townsend	(GT)	National Team Head Coach (Item 8 only)

Apologies:

David McMillan	(DMcM)	Independent Non-Executive Director
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ACTION

1. INTRODUCTION

The Chairman noted that a quorum was present and opened the Meeting. Apologies were received from David McMillan, who was unable to attend due to a longstanding scheduling conflict.

The Chairman noted his intention to cover the majority of the agenda items by 12.30pm, with Reports largely taken as read. This would be followed by important updates from the National Team Head Coach and the Head of Women and Girls Strategy.

2. ACTION LIST

2.1 From Stakeholder

- (i) CFO to facilitate contact with Auditors re governance proposal – the CFO confirmed that the auditors (PwC) had been asked to review the proposal but had not responded.
- (ii) President to invite CFO to meet with SCOG Members – this had taken place.

- (iii) CFO and JB to assist in framing questions for SCOG’s legal advisers – this had been completed.
- (iv) President to advise SCOG re exclusion of comments from INEDs on consultation proposal – this had been completed.

2.2 From Health and Safety

Failure of incident reporting at recent match to be queried – it was noted that the incident described had not featured in Scottish Rugby’s event logs because it had not been reported by the external car park contractor, who had instead dealt with the matter internally. They had been reminded that they should report every event day incident, however minor, for Scottish Rugby’s own event logs in future.

2.3 From Company Secretary’s Report

Membership Roll to be updated – this had been completed. The Company Secretary noted that changes to the Bye -Laws had been made following the motion passed at the SGM in December 2021.

2.4 From Other Matters

Letters to Scottish Universities regarding initiation ceremonies – these would be sent out by the end of the month.

RH

The University had confirmed that none of the individuals known to have been involved in the incident reported were students at Edinburgh University, but a ban had been imposed on those individuals being involved in any University of Edinburgh activities in future.

It was agreed that the letter would be sent to all further education institutions which had an associated rugby club, to remind them of the standards expected from all clubs and players across Scotland.

2.5 From Rugby

Performance Rugby Report – prominence of reporting on Women’s Rugby – addressed - see the most recent report.

3. MINUTES OF PREVIOUS MEETINGS

The Minutes from the Board’s Meeting of 2 December 2021 had previously been approved by the Board by separate resolution, electronically. These had since been published on the Scottish Rugby website.

4. STAKEHOLDERS

4.1 Governance/SCOG Update

The President was invited to provide an update on the ongoing governance review.

The President referred to the note from the new independent Chair of SCOG which had been circulated to the Board earlier that week. The new Chair would soon be reaching out to the Chairman to discuss various issues and points which had arisen during the review.

Congratulations were offered by the Board to the new SCOG Chair on his appointment.

Due to the personnel changes, the President explained that SCOG would be working to a slightly amended timescale, with the end of April or beginning of May being likely for an SGM, however but this would be firmed up in due course.

Further feedback had been received from clubs, with the extended deadline for comments being later that week. After review of all feedback, SCOG would look at an updated model which would then be circulated to Board, Council and members.

The Company Secretary advised that under the Bye-Laws advance notice would be required for an SGM, and that any AGM motions needed to be submitted by 31 May. Scottish Rugby's legal team continued to be available to help with procedural aspects and any other assistance needed.

The Company Secretary was requested to write to the new independent Chair of SCOG and set out key timescales and procedural considerations. **RH**

Inclusion and diversity was highlighted as an important part of the Board's strategy and also of wider importance within society. It was suggested that SCOG should build inclusion and diversity into the governance proposals and may benefit from using an external facilitator to help with this aspect. The President agreed to communicate this suggestion. **IB**

4.2 *Council Matters*

- i) The President and Vice President had had weekly meetings with the Rugby Development department over the winter break and clubs had been allowed to postpone scheduled fixtures in early January due to Covid. Clubs had been encouraged to play local games if possible, and normal fixtures were expected to return over the coming weekend.
- ii) A season structure review was underway with a group meeting regularly to discuss this.
- iii) The next Council meeting was scheduled for 7 February 2022.

4.3 *Remuneration Committee – 15 December 2021*

In the absence of David McMillan (Remuneration Committee Chair) the Company Secretary provided an update from the most recent Remuneration Committee. There had been limited business at the meeting, principally **[REMAINDER OF PARAGRAPH REDACTED – DATA PROTECTION - PERSONAL DATA]**

4.4 *Audit and Risk Committee – 20 January 2022*

The Chair of the Audit and Risk Committee reported that the Committee had met earlier that day to discuss the outcome of the audit tender process that had been conducted.

The Chief Financial Officer was then invited to explain the process followed:

- i) Audit fees had increased over recent years, with a tender process overdue. Seven firms had been approached initially, with four firms then reaching a short list.
- ii) Of the four, one had withdrawn, and three detailed formal proposals had been received.

- iii) After assessment, two firms had been invited to provide further proposals.
- iv) Those proposals had then been submitted to the Audit & Risk Committee, with Johnston Carmichael being the preferred candidate and then presenting to the Committee.
- v) Based on a number of factors, including value for money, general ethos and approach, size, knowledge of Scottish Rugby and the game, and backed by a strong presentation, the Committee had decided to recommend to the Board that Johnston Carmichael be appointed as auditors to the Company, Scottish Rugby Union and Thistle Rugby Trust, in succession to PwC.

The Committee Chair confirmed the Committee's recommendation.

Following discussion,

- (i) in exercise of the powers delegated to the Board under the Bye-Laws in relation to the affairs of Scottish Rugby Union and by extension the Thistle Rugby Trust; and
- (ii) separately in relation to the Company,

the Committee's recommendation was **APPROVED** by the Board.

Arrangements would be made for formal engagements to be entered into in due course and for a managed handover from PwC to Johnston Carmichael to be conducted. **HSp, RH**

It was noted that the Murrayfield Injured Players Foundation also used PwC as its auditors and had done so for some time. While entirely a matter for the MIPF Trustees, it was agreed that they should also be made aware of the change being made. **HSp, RH**

5. PEOPLE

5.1 *People Matters*

Reference was made to the People Report, which was taken as read, with no questions posed.

5.2 *Safeguarding*

Reference was made to the Safeguarding Report, which was taken as read, with no questions posed.

5.3 *Health and Safety*

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

The Chief Executive confirmed that an important safety responsibility related to the work needed to build the hospitality marquees for the upcoming Calcutta Cup game. The start of that building work had been delayed due to uncertainty regarding Covid-19 restrictions on indoor hospitality, which had reduced the normal lead time. This was causing more concern over deadlines than would normally be the case but was being managed closely.

6. BUSINESS

6.1 CEO Update

The Chief Executive provided an update on the following items:

- (i) *Six Nations* – the Chief Executive welcomed the news that matches would be played in front of a crowd, and with hospitality. A lot of work had been carried out behind the scenes to facilitate this at relatively short notice.

Operational planning had included personnel plans for each business area. It was hoped that everything would run as smoothly as usual but there were some additional pressures in obtaining sufficient staff for hospitality and stewarding due to national labour shortages in those areas.

- (ii) *URC/EPCR* – a number of games had been cancelled or postponed due to Covid disruption over the December and January period, leading to significant rescheduling. The original intention had been to avoid scheduling Pro Team matches during the Six Nations window but due to the extent of the postponements, matches during that window were inevitable and would include an 1872 Cup game on a Friday evening. A number of players were unlikely to be available due to national team duty and there was a risk of a negative commercial impact if crowds decreased. The Chief Executive and Chief Financial Officer were monitoring this closely.

- (iii) *New Six Nations governance* – the business was now starting to function under the new Project Light framework. The Six Nations Council (chaired by John Jeffrey) would continue to oversee largely sporting matters and a series of reserved matters. The new Six Nations Board (which included representation from CVC) would be responsible for operational matters and was now chaired by Ronan Dunne, as independent Chair. A variety of issues were being discussed, including the global calendar, broadcasting and a new digital strategy. Although it would take some additional time and effort to get the new structures fully embedded and running smoothly, that would be worthwhile in achieving positive outcomes.

The Chief Executive noted that there had been media speculation recently about CVC planning a floatation of its wider business. If this was the case, any implications for the Six Nations would be considered carefully.

- (iv) *Six Nations - Board and Council travel* – it was noted that each Union would have slightly different protocols in place for match travel and hospitality, and travel would be reviewed on a game-by-game basis. The initial arrangements for the first two Six Nations games were outlined.
- (v) *Women's Six Nations* – it had been agreed that the Women's Six Nations tournament would be supported by attendance from Board and Council, with the logistics of this still to be agreed. It was likely that everyone would be invited to home matches, with a small official party attending away games.
- (vi) *Events business* – the Chief Executive commented on prospects for future events to be held at BT Murrayfield, including [**REMAINDER OF PARAGRAPH REDACTED – COMMERCIALY CONFIDENTIAL**]

6.2 Commercial Report

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

There had been several positive deals coming through recently, particularly for the Six Nations period, with Six Nations concluding deals with Tik Tok and Breitling and the recent new sponsorship agreement for the Company with Papa Johns. It was agreed that new Scottish Rugby sponsors should be clearly identified as being additional business or replacing revenue from sponsor departures elsewhere, with any strategic issues to be clearly flagged.

The newly appointed Chief Commercial Officer was examining the functioning of the Commercial Department and would present to the Board in due course. It was agreed that he should attend future Board meetings as an observer until new governance structures were resolved.

**MD,
RH**

6.3 *Finance Report*

The Chief Financial Officer referred to her Report, which was taken as read.

The following points were highlighted:

- (i) The new finance system went live on 7 January and there had been a very positive response from across the business, with automated sign-off for certain approvals and increased visibility around new committed spend, along with better reporting functions.
- (ii) The Chief Financial Officer highlighted various risks and opportunities relating to the budget and arising from the Covid-19 disruption and recent trading. Some aspects of these were outside of the Company's control but efforts were being made to mitigate risks wherever possible. It was noted that the salary cap in the PRL was having some impact on player movement, with more players being attracted to playing in Scotland.
- (iii) *BT Murrayfield* – external advisers had been engaged to provide suggestions on future investment opportunities and stadium improvements which could optimise revenue generated from events at BT Murrayfield. Initial feedback indicated that there were significant opportunities, with a full report to be provided to the Board at a later date. Consideration was being given to alternative uses for existing spaces to allow the stadium itself to be fully maximised for event days.

A separate meeting with the Board would likely be needed to discuss options and opportunities once more details were available.

**MD,
RH**

It was agreed that as part of the process memories should be refreshed on previous plans that had not been progressed and the reasons for that, so there could be a focus on new ideas and duplication of earlier work avoided.

Bank Mandates and Payment Approval Thresholds

The Chief Financial Officer referred to the circulated Report, setting out proposed payment approval thresholds and bank mandates.

After consideration, the following was **APPROVED**, replacing existing mandates, with immediate effect:

Trading activity – POs, Invoices, Expenses

[PARAGRAPH REDACTED – COMMERCIALLY CONFIDENTIAL – FINANCIAL CONTROL SECURITY]

Capital expenditure

[PARAGRAPH REDACTED - COMMERCIALLY CONFIDENTIAL – FINANCIAL CONTROL SECURITY]

Note: The expenditure concerned must also, as a pre-requisite, fall within budgeted levels.

Bank Mandates and Payments

Electronic payments and cheques

[PARAGRAPH REDACTED – COMMERCIALLY CONFIDENTIAL – FINANCIAL CONTROL SECURITY]

Contract signing

[PARAGRAPH REDACTED – COMMERCIALLY CONFIDENTIAL – FINANCIAL CONTROL SECURITY]

6.4 *Stadium Operations*

The Chief Financial Officer referred to the Stadium Operations Report, which was taken as read, with no questions posed.

6.5 *Communications, Media and External Affairs*

Reference was made to the circulated Report, which was taken as read, with no questions posed.

6.6 *Company Secretary's Report*

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

- i) *Transgender Policy* – the SWDI Committee had been kept up to date on this topic. The RFU was working on their updated transgender policy documentation, which would be shared with the other unions in due course as part of regular liaison activity. Scottish Rugby would then refresh its own policies, following discussion

within the SWDI Committee. Some external advice would be helpful in this complex and sensitive area – this would be checked with the Chief People & Engagement Officer. **RH**

- ii) Workload planning was being done for the Board, Board Committees and Council over the next few months until year end due to the volume and significance of anticipated business.

With the new strategy plan, finance system, new personnel and potential changes in governance structures, the approach to reporting would be revisited to ensure information was provided to the Board clearly and concisely.

It was noted that the total number of formal meetings held by Council, Board and Board Committees had grown over the last several years for various reasons and continued to be high, with an associated increased administrative burden. It was important to avoid ‘meeting fatigue’ whilst still ensuring that reporting and decision-making continued to take place effectively and in the right forums.

7 RUGBY

7.1 Rugby Development

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

Playing activity recently had been limited, with clubs given the option not to play, due to the impacts of infection rates from the Omicron variant. Unplayed matches were being rescheduled with the priority being to complete leagues before deciding on what Cup competitions might be possible in the remainder of the season.

The Director of Rugby Development was working on a number of significant projects including in particular the Male Adult Season Structure Review and the parameters for the upcoming Growth and Participation Fund.

7.2 Performance Rugby

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

The following points were noted:

- i) A recent restructure of the High Performance department was complete, with a review being undertaken of the Academies framework.
- ii) Due to Samoa and Hong Kong having withdrawn from the Women’s Rugby World Cup qualification process, Scotland were the highest seeded nation and would proceed straight to the final of the repechage tournament. The winner of the final would then qualify for the Rugby World Cup. The squad would be going to Dubai for two weeks to acclimatise to the environment ahead of the final.
- iii) The situation in Tonga following the recent volcanic eruption was being continually reviewed and help would be offered by the rugby community where possible and appropriate.

8 SQUAD SELECTION UPDATE

The National Squad Head Coach joined the Meeting and was invited to provide some thoughts and observations, including on squad composition and depth. ahead of the upcoming men's Six Nations campaign.

- i) The National Team coaches had looked at a huge number of players before deciding on who should be included in the squad. Feedback had been provided to all players on areas where they could improve. There was good depth in various positions.
- ii) The facilities at Oriam were excellent and the support team there had provided a world class training facility.
- iii) Training had provided valuable insight into how players new to the squad had gelled with the wider squad, adjusted to their teammates and operated in the new environment.
- iv) Lots of support was being offered to players on the wellbeing side, and the value of psychological support was noted.
- v) Covid measures, including extensive testing, were still taking place within the camp. Contingency planning had taken place in case of an outbreak.

GT was thanked for his time and insight and left the Meeting.

9 STRATEGIC PLAN – WOMEN'S AND GIRL'S UPDATE

The Head of Women & Girls Strategy joined the Meeting and was invited to give a presentation on progress to date on the Women and Girls strategy, and provide some initial observations.

The following points were covered:

- i) There was some discussion about the various building blocks were being put in place in order to develop the women's and girls game. There had been some investigation into programmes which currently existed in both Scottish Rugby and other Unions, and what other sports were doing.
- ii) Every department in Scottish Rugby had a role to play in allocating resources and working towards shared outcomes.
- iii) A project team had been created from across Scottish Rugby and had carried out work in identifying areas where improvements were needed or could be made. The next step would be to engage more widely across the organisation, and with external stakeholders. Council members had also been consulted on what initiatives they would like to see for women's and girls rugby.
- iv) It was acknowledged that some great work was already happening, including key targets on the performance plan being achieved, or close to being achieved.
- v) Players needed the opportunity to play and train at the highest level in a club environment so that they would have the best opportunity to then be selected and perform for the national team. The player pathway needed to be improved to facilitate this and would be key component of the strategy.

- vi) Some work should be undertaken with Scottish Rugby’s Commercial Department, including an asset audit, an assessment of market value of rights in relation to the women’s game, and sponsor engagement.

There followed a period of questions, where the following topics were covered:

- i) It was acknowledged that there were very few female coaches in the women’s game, with the majority of coaches being male and there being only 1 female UKCC Level 3 coach. It was noted that there was also a need for a female leadership programme, providing opportunities for women to come together and feel supported.
- ii) An assessment of costings for the next year and then a phased approach over the next few years, would be pulled together over the coming weeks as part of the plan. The overall strategy would then be implemented over an 8 to 10 year period, split into cycles of WRWC.
- iii) It was noted that many clubs had flourishing women’s sections, some even more so than men’s teams.
- iv) Board members were asked to challenge departments to make sure they were as diverse and inclusive as they needed to be. Decisions should be thought through to ensure they had a positive impact on the organisation and were right for the future of the game.
- v) Women’s and girl’s considerations should be an integral part of decision-making, rather than needing a separate arm of the strategy.
- vi) Funding should be regarded as an investment in engaging more people in the game and not simply as a cost.
- vii) It was acknowledged that some work was required to make women’s games at the DAM Health stadium more of an ‘event’ and having their own identity, with accompanying branding and promotion.
- viii) Facilities in many clubs were not appropriate for girls and women. This was not necessarily a blocker for growth, but rather one of a number of factors to be considered when trying to attract new people to the game.

A first draft of the Women’s and Girl’s strategy would be provided to the Board by the end of March/ early April, with a view to a formal launch by end of May, in conjunction with budget approvals. **GF**

It was recognised that the plan would include a variety of actions which would need additional thought and planning but the Head of Women & Girls Strategy was also encouraged to examine steps which could be implemented straightaway, through a redistribution and prioritisation of existing resources. **GF**

The Chairman noted the Board’s support for the work being done and thanked the Head of Women & Girls Strategy for her presentation. GF then left the Meeting.

10 AOB

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

APPROVED BY THE BOARD
17 FEBRUARY 2022