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**MINUTE OF BRIEFING MEETING OF THE SCOTTISH RUGBY COUNCIL
HELD BY MICROSOFT TEAMS
AT 6.00PM ON MONDAY 29 NOVEMBER 2021**

Present:

Ian Barr	(IB)	President
Colin Rigby	(CR)	Vice-President
Alistair Forsyth	(AB)	Borders Representative
Bobby Frazer	(BF)	National 3 Representative
Bob Richmond	(BR)	North Regional Representative
Gerry Tosh	(GTo)	National 1 Representative
Gordon Thomson	(GT)	Premiership Representative
Hazel Swankie	(HS)	Midlands Representative
Jim O'Neil	(JON)	Glasgow South Regional Representative
John Halliday	(JH)	Co-opted Representative (Rugby Europe)
Jonathan Anderson	(JA)	Schools Representative
Kenneth Knott	(KK)	Referees Representative
Murdo Gillanders	(MG)	Edinburgh Regional Representative
Rosy Hume	(RHu)	Women's Representative
Willie Gardner	(WG)	Glasgow North Regional Representative

In Attendance:

[NAME REDACTED]	(XX)	Senior Solicitor & Council Secretary
Gavin MacColl	(GM)	Independent Chair of SCOG

Apologies:

Eric Hugh	(EH)	National 2 Representative
Gavin Hastings	(GH)	Co-opted Representative (British and Irish Lions)
Ian Rankin	(IR)	Co-opted Representative (URC)

1. Introduction**ACTION**

The Vice-President welcomed Council Members and Gavin MacColl QC to the Meeting. He noted a quorum was present and opened the Meeting at 6pm.

He noted the President was caught in another Meeting and would join as soon as possible.

Apologies were received from E Hugh, G Hastings and I Rankin.

2. Update from Chair of Standing Committee on Governance (SCOG)

Mr MacColl QC referred to the update he had provided the Council with on 22 November and the papers which had since been circulated to the Council by SCOG.

Mr MacColl QC noted that he was aware that the Chair had circulated additional papers to the Council, on behalf of the Independent Non-Executive Directors (INEDs), as he was not received the email, he was unable to pass comment on the content.

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He invited feedback from the Council Members. The following points were noted:

- The Edinburgh Representative thanked Mr MacColl QC for providing the Council with the paperwork. He noted that there appeared to be divergent views between that of SCOG and the INEDs which was causing confusion and suggested that perhaps independent advice should be sought to understand the validity of the proposal.

Mr MacColl QC noted that, from his understanding, the INEDs had not questioned the validity of SCOG's proposal but had raised questions about whether it achieved best governance practices. He noted that much thought had gone into the proposal and independent legal advice had already been sought.

He raised concern with the format of the Club Rugby Board (CRB) may disenfranchise the regional clubs and posed whether the creation of additional Boards throughout the structure may cause additional conflict.

He questioned whether the SCOG proposal addressed the current issues which he saw to be a perceived lack of scrutiny of the Board and mistrust between stakeholders.

- The North Representative reiterated the points raised by the Edinburgh Representative. He noted that he was concerned about the disagreement between stakeholders on the current proposal.

He highlighted that, in his opinion, the proposal was not fit for purpose without the CEO and CFO on TopCo and had concerns about how the Boards of TopCo and SRUL would interact with one another.

He also noted that he believed more consideration to the CRB was required and the proposal should not be issued to the membership until that work had been carried out.

It was suggested that SCOG should seek to reach a level of internal alignment before the proposal was released externally, this could be done by engaging external advice. Mr MacColl reiterated that independent legal advice had been engaged already and seeking a 'review of the review' could pose more issues than answers.

- The National 1 Representative noted that many of his comments had already been covered. He highlighted that he was of the view that the current structure did not work and he believed the proposal should be released to the membership for their consideration.

He noted that he believed there were a number of solutions that could rectify the perceived issues with the current structure, including increasing the number/remit of the Trust.

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He believed it was a good thing that the consultation process had created different opinions and he noted that the proposal should now be sent to the membership to gather their views.

- The Glasgow South Representative highlighted that he had a different direction on governance. He noted the previous work he had done with co-operatives and was well versed in the governance of co-ops.

He believed that the TopCo was old fashioned and caused confusion as to who ran the company which could lead to conflict. He was of the view that the members themselves should hold the shares in SRUL with two parallel companies, one that would be responsible for the business aspects. He used examples including Irvine Sports Club.

He raised other areas of concern within the structure, particularly the risk of losing the representation of the regional clubs on the CRB. He believed an amalgamation of the Dunlop Report and Gammell/Murray Report may be a suitable alternative that retained the current Council as the CRB to ensure both national and regional clubs were represented.

The Glasgow South Representative noted that he had prepared a paper with his thoughts which he would make available to SCOG.

- The Rugby Europe Representative noted that he believed there was a lack of schools and youth representation on the CRB. He emphasised that there was twice as many youth players than adult players in the game and that should be reflected in the structure accordingly.

In light of the divergent views on the structure, he suggested that a risk assessment should be carried out to ensure there is no fundamental issues with the proposal.

He noted his concerns in relation to the existence of two boards was that it could lead to increased conflict and mistrust. He emphasised that if the Custodians did not have the correct skillset and understanding of the business it could have a detrimental effect on the operations of the organisation as a whole.

In answer to a question, he suggested an alternative structure could be for the Clubs to directly hold shares in SRUL. He noted this would require input from corporate law experts but should be considered.

- The Women's Representative noted that she had now considered the proposal and the feedback that had been received during the first period of consultation.

She generally liked the changes that had been made to the CRB but thought there should be some inclusion of the Regional Managers within it. She noted her concern about the potential for conflict within the proposed structure and confusion as to who was in charge of decisions.

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The Women's Representative suggested that an appointed diversity and inclusion representative was assigned to each entity within the proposed structure.

She highlighted that ideally the proposal would not be sent to the membership until the proposal had been fully thought through and had received Council's endorsement. She also flagged the importance of SportScotland confirming they were happy with the proposal.

- The Borders Representative noted that he believed the difference of opinion between the INEDs and SCOG should be addressed in the first instance as they offered valuable insight from a Board perspective. He highlighted the need to get this governance review right and to ensure that there was no fundamental issues with the proposal.

He emphasised that the Council were the voice of the clubs and it seem contradictory to dissolve the Council when representation of the membership was central to any new structure.

He noted that clubs were expecting the consultation to start shortly but highlighted that he had reservations about the proposal being released while there was disagreement internally.

He also highlighted that the percentage of revenue that was to be allocated to the club game needed further clarification.

- The Glasgow North Representative noted that many of his comments and questions had already been covered by Council Members.

He highlighted that his main concerns were in relation to TopCo and the representation of the regional clubs on the CRB.

In relation to TopCo he noted that he was concerned about five people having overall control of the organisation. He highlighted that these people would not necessarily have the appropriate skillset required for the role.

When asked he suggested an alternative structure would be for the clubs to own the shares of SRUL directly.

He implored SCOG to consider the concerns that had been highlighted by the Council and INEDs before a finalised fit and proper proposal was released to the membership.

- The President noted that he had listened with interest to the discussion of Council. He highlighted that numerous reference had been made to the Gammell Murray Report at the Meeting and he highlighted that in that report there was also a company limited by guarantee as a holding company, with a dissolved Trust and Council and no concerns had been previously raised with whether the structure was legal or competent.

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He reiterated that SCOG had met with SportScotland and had had a positive meeting. He also confirmed independent legal advisors had been engaged by SCOG at various stages.

He emphasised that SCOG had reached a point where, having worked hard over the past year to get present the membership with a proposal, there was a lack of alignment internally.

He noted that this Meeting was now an opportunity for the Council to take the matter forward.

He highlighted the expertise that existed within SCOG and noted that the Council had approved its membership and tasked the group with presenting a proposed revised structure, which SCOG had done. He highlighted that the Council were entitled to their views and opinions but it had reached a stage where understanding the views of the membership was fundamental in progressing a proposal to a final recommendation. He noted that both the Council and Board also formed an important part of that process.

He emphasised that the wording contained within the proposal made clear that the document was for consultation purposes only and the questions were designed to gather feedback from the membership.

The President suggested that the consultation document was circulated to the membership ahead of the Christmas break to allow consultation to take place into January 2022.

- The Glasgow North Representative welcomed the President's comments and suggested that a SCOG session was held with both the Board and Council ahead of a finalised proposal being confirmed. The President confirmed it was SCOG's intention to do so.
- The North Representative highlighted that as a Director of Scottish Rugby Union Limited he had a duty to act in the best interests of Scottish rugby as a whole and he remained concerned that there was a lack of consensus on the approach going forward. He suggested that if the paper was to be released to the membership, sessions should be organised internally to address the issues of contention.
- The National 3 Representative, as a Member of SCOG, thanked Mr MacColl QC for the independence and impartiality he had proved SCOG with. He also emphasised the engagement of independent legal advisors throughout SCOG's discussions.
- The Premiership Representative, also a Member of SCOG, referred to the positive meeting which SCOG had had with SportScotland. He highlighted that there had been many divergent views and all members had had to compromise at different points. He emphasised the input that independent advisors had had on the discussions of SCOG. He noted the importance of the proposal now being released to the membership for their consideration.

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It was **AGREED** that the consultation paper would be released to the membership, with specific reference within the paper that confirmed the proposal did not have Council (or Board) endorsement.

The President confirmed that discussions would continue internally throughout the second consultation phase. He thanked the Council for their contribution and the robust discussion. He confirmed the paper would be amended in light of the agreement reached at the Meeting and would be made available to the membership in due course.

3. AOB

With all business concluded, the Meeting was closed at 8.10pm.

Date of next meeting: 7 February 2021

APPROVED 29 DECEMBER 2021