

PRIVATE & CONFIDENTIAL – REDACTED MINUTE – FOR PUBLICATION**SCOTTISH RUGBY UNION LIMITED****MINUTE OF MEETING OF THE BOARD OF SCOTTISH RUGBY UNION LIMITED
HELD AT 1.30PM ON THURSDAY 9 SEPTEMBER 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
Andrew Healy	(AH)	Finance Director
David McMillan	(DMcM)	Independent Non-Executive Director
Malcolm Offord	(MO)	Council Nominated Non-Executive Director
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>)
[REDACTED – NAME OF INDIVIDUAL]	()	(<i>Minute Taker</i>)

1. Introduction & Opening Remarks**ACTION**

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

HSw and HSp were welcomed as new members of the Board.

2. Action List*From Business*

- i) *Adjournment of AGM to be discussed with Council* – this had been discussed and the AGM had been opened and then adjourned on 14 August until 26 September.
- ii) *[REDACTED – DATA PROTECTION]*.
- iii) *[REDACTED – DATA PROTECTION]*.
- iv) *New U20s strategy to be shared with Board* – it was noted that once the High-Performance strategy had been implemented, the Under 20s strategy would be considered in more detail.

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From Stakeholder

- i) *Comments on Code of Conduct to be relayed to Council's working group – comments had been circulated and the new Code of Conduct had been approved by the Council. The President asked Board members to complete the new Declaration of Interests form which was set out in the Code.*

3. Minutes of Previous Meetings

The Minutes from the Board's Meeting of 22 July 2021 had previously been approved by the Board by separate resolution, electronically. These had since been published on the Scottish Rugby website.

The Minutes of a Meeting of a Board Sub-Committee on 23 July 2021, which had been delegated authority to finalise the financial statements, were **APPROVED**.

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) *Chief Commercial Officer vacancy* – the Nominations Committee had met that morning and had been updated on the recruitment process for a new Chief Commercial Officer. [REDACTED – MATTERS RELATING TO ONGOING RECRUITMENT PROCESS] As a result of the governance review there was some uncertainty over whether this role would also hold a Board directorship position in future, which would need to be addressed as part of the recruitment process.
- (ii) *High Performance strategy* – the High-Performance department had been briefed on proposals to align its goals with the Board's strategy. [REDACTED – DATA PROTECTION].

4.2 Safeguarding

The Chief People and Engagement Officer referred to her 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. Reference was then made to the Hall of Fame and proposed new inductees:

- i) *Female Inductees* – the Hall of Fame panel had recommended that five women be inducted into the Hall of Fame, with the suggestion that the announcements be made before the Women's Rugby World Cup qualification fixtures which were due to begin on 13 September.

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Approval was therefore sought to induct the following women in recognition of their valuable contributions to the game:

- a. **Dee Bradbury**, who became the first female President of a Tier One rugby union in 2018;
- b. **Vicky Galbraith**, who won 29 caps for Scotland Women as a prop forward out of the Murrayfield Wanderers and Richmond clubs between 1998 and 2002, helping Scotland to the Women's European championship in 2001. Vicky also raised thousands of pounds for cancer charities before her death from cancer in 2013;
- c. **Keri Holdsworth**, who was capped 15 times for Scotland Women as a back-row forward from the Watsonians club between 2008 and 2010 and sadly died in a car crash in 2014;
- d. **Ally Ratcliffe**, who won 6 caps for Scotland Women in 2000 and became the first female coach of a men's XV in Scotland at Langholm; and
- e. **Kim Littlejohn**, who was one of the trail-blazers for women's rugby in Scotland, winning 43 caps between 1993 and 2000,

And in each case, this was **APPROVED**.

- ii) *Male Inductees* - The Chairman then noted the following two additional proposed inductees, and sought approval for the Board for these inductions:

[REDACTED – DATA PROTECTION]

In each case the recommendation was **APPROVED**.

- iii) The Chairman then noted the intention to broaden the composition of the Hall of Fame Panel, to better reflect Scottish Rugby's commitments to inclusion and diversity. [REDACTED – DATA PROTECTION]

The Chief People and Engagement Officer then covered the following points:

- i) *Women's RWC Qualification* – it was noted that women's qualifications match for the Women's Rugby World Cup would now be aired on BBC Alba.
- ii) *Covid Passports* – an update was due from the Scottish Government later that day in relation to whether Covid passports would be introduced for large events. It was noted that the organisation should remain flexible and adaptable in light of changing risk levels posed by the Covid-19 pandemic.
- iii) *Edinburgh Rugby stadium* – the new Edinburgh Rugby stadium was due to open that weekend and a large amount of work had been carried out by the Communications team to promote this.
- iv) *Online Abuse review* – this had been discussed at a recent SWDI committee meeting, where a presentation had been provided on how online abuse on social media can affect players. It was agreed that further work needed to be carried out

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around this issue, including by challenging social media platforms to do better to prevent such abuse in the first place. BT were supportive of this and had indicated they would like to collaborate.

- v) *Kit launch* – the launch of the Scotland kit for 21/22 had taken place that day and had been well received.

There then followed a period of discussion regarding the FOSROC Super 6 Competition. It was noted that there had been a very positive start to the season, with a high standard of play and a good level of media coverage. Attendance records would be collated within the following days and focus groups would be held with clubs, fans and other interested parties in the coming weeks and months to assess the public perception of the competition. The competition had afforded players from Premiership and National 1 teams the opportunity to join Super 6 franchises as temporary Covid cover, and this was felt to be positive from a player development point of view.

4.4 Health and Safety

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

It was requested that the Health and Safety report be produced as a standalone report for future meetings.

5 Business

5.1 CEO Update

The Chief Executive highlighted the following points:

- i) *World 12s* – referring to recent press reports the Chief Executive noted that the World 12s announcement would require further investigation and would be subject to discussions amongst the various bodies. There had to date been very little consultation with the Unions, who would need time to consider their stance on the proposals. The Chairman noted that World Rugby had not yet received an application to sanction the competition. In addition, as the backers of the competition were private individuals, it was assumed that any money generated would go to them and would not go back into the game. There was a move amongst many sports to look at ways to create new competitions and revenue streams and broaden the appeal of sports to wider audiences. The Hundred, a recent new initiative for cricket, was a good recent example of that.

There were some discussions regarding pay per view broadcasting. It was noted that 6 Nations remained a free to air product. Media advisors continued to monitor the relative merits of each approach.

- ii) *Events* – [REDACTED – COMMERCIAL CONFIDENTIALITY]
- iii) *Edinburgh Rugby stadium naming rights* – DAM Healthcare would be coming on board as a naming rights partner for the new Edinburgh Rugby stadium, with a sponsorship fee of [REDACTED – COMMERCIAL CONFIDENTIALITY] per year over the course of the contract. As part of the deal, DAM would also be providing

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certain Covid testing and processing services, which would lead to a reduction in Scottish Rugby's Covid related costs.

5.2 *Finance*

The Chief Financial Officer was welcomed to the Board and requested feedback from Board members on how the Finance team had been sharing information to date, with a view to making future briefings for the Board as relevant and informative as possible.

The CFO then referred to the Finance Report, which was taken as read, and highlighted that ticket sales were ahead of budget and overall organisational expenditure in line with that anticipated .

The Finance Director then sought the following approvals from the Board:

- i) Bank of Scotland had recently forwarded the annual working capital facility renewal documentation, to 31 August 2022, which had no significant changes to the previous position. The facility renewal letter had been appended to the Finance Report. Approval was sought for two Directors or a Director and the Company Secretary of Scottish Rugby Union Limited to sign and conclude this agreement on the Company's behalf. This was **APPROVED**.
- ii) Approval was requested for the addition of Hilary Spence to the list of "A" signatories for banking purposes. This was **APPROVED**.
- iii) The Finance Director referred to the detailed Capital Expenditure Approval request in relation to the CCTV system solution for BT Murrayfield Stadium circulated with the papers. The existing system needed urgent upgrade and this would be at a cost of around £895,000. A detailed tender process had been followed and a preferred supplier identified. Board approval was sought to proceed with this project, as outlined in the paper. This was **APPROVED**, with authority given to progress with and conclude the associated contracts and for any two Directors, or any Director and the Company Secretary to sign the contract documentation on the Company's behalf.

5.5 *Company Secretary's Report*

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

- i) *Change of Team Name* - Kelso RFC had requested permission to re-name its 2nd XV from Kelso 'A' to Kelso Sharks.
- ii) *Associate Membership* - In accordance with Bye-Law 5.2, applications for Associate Membership had been received from North Edinburgh Vikings RFC and the Strathmore Community Rugby Trust. North Edinburgh Vikings had been operating as a joint venture in youth rugby between Heriots and Stewarts Melville since 2018. They believed that through the setting up of a separate entity they would significantly simplify the administration of the club. If approved North Edinburgh Vikings would join the Edinburgh Council Area.

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The Strathmore Community Rugby Trust aimed to develop and introduce various educational and supportive rugby activities for individuals with wide range of learning and physical abilities. If approved the Strathmore Community Rugby Trust would join the Midlands Council Area.

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.

The Company Secretary then highlighted the following further points:

- i) A previous request from Stirling County RFC with a view to changing the club's Scottish Rugby Area (from the Midlands (part of Caledonia Region) to Glasgow North (part of the West Region) had been put on hold - the club was unsure whether it wished to progress its request at the moment in light of the forthcoming season structure review and completion of the current governance review.
- ii) The Company Secretary thanked everyone who had provided input into the NCRs, which had recently been updated and published. The President noted that there had been some requests from clubs at Regional 2 level for further changes to build in further flexibility if clubs were unable to fulfil fixtures due to Covid. The Company Secretary would pick this up with the Head of Regulation, with any changes recommended then taken to the Board sub-committee which had dealt with previous changes, for review and approval. RH
- iii) The Company Secretary referred to a circulated report on anti-doping activity, which was taken as read. The Regulation and Medical teams were working through the organisation's approach to the new UKAD rules.
- iv) Insurance renewals - the 2021 insurance renewal had been extremely challenging in some areas but had now been completed satisfactorily. [REDACTED – COMMERCIAL CONFIDENTIALITY]
- v) It was noted that requests for approvals circulated to the Board by email outside of Board meetings continued to be made from time to time. The Company Secretary thanked Board members for their swift responses in dealing with these, and asked for continued support in doing so, to enable authorisations to be progressed swiftly.
- vi) AGM planning continued for an in-person AGM on 26 September. Arrangements would be subject to the COVID situation.
- vii) An agenda had been circulated for an upcoming Board and Council Joint Briefing Session, with the Governance Review being a key item. Gavin MacColl QC as chair of the Standing Committee on Governance, had been invited to give a presentation on SCOG's progress.

6. Strategy – Progress Update

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The Chief People and Engagement Officer gave a short presentation on strategy engagement and the future of work for the organisation, which covered the following areas:

- i) *The story so far* – the Board's strategy had been launched earlier in the summer, and time had been spent aligning Scottish Rugby's external messaging to the strategy aims. Employee briefing sessions had been held and the Executive team and Senior Leadership Group had created some high-level priorities for their departments. There was an increased focus on 'transformational leadership' and creating a culture where everyone was connected, valued and had purpose.
- ii) *What will be different* – Transformational leadership would be brought to life by focusing on culture and wellbeing, which had been discussed by the SWDI Committee where wellbeing commitments were agreed. High performance on and off the pitch would be a key message, and this would involve ensuring the right people were in the right roles.
- iii) *Next steps* – a separate session would be held for the Executive and SLG in October where topics for exploration would include personal accountability, changes to mindset and creating a high-performance culture.
- iv) *Engagement with people* – teams would be encouraged to get together to discuss their roles in implementing the strategy. There would be a new performance review system known as My Contribution, which would be linked to the Company's future approach to remuneration.
- v) *Future of work* – flexible working remained desirable, and Scottish Rugby's people would be surveyed again to identify needs following a return to the office. A new Head of Infrastructure role was to be recruited, with the remit to include how best to use the workspace available in BT Murrayfield for hybrid working.

7 Rugby

7.1 Rugby Development

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

Gavin Scott, Director of Rugby Development, would be providing the Board and Council with a full update on return to rugby and future planning at the forthcoming Joint Briefing Session.

7.2 Performance Rugby

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

A significant amount of work had been carried out on the new High-Performance structure, and this had been bolstered by some new additions to the coaching team.

8. Stakeholders

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The President was invited to comment on recent Council activity. The Council had met twice since the last Board meeting. The President continued to attend Threat Management Group meetings. The Code of Conduct had been approved by the Council and was now operational.

8.1.1 Standing Committee on Governance

The President confirmed that SCOG's preliminary structure model had been issued as a consultation document to members and feedback had been received from approximately 40 – 50 clubs, along with contributions from the Executive and Non-Executive directors. The President thanked everyone for their time and input.

SCOG had met earlier that week to discuss next steps, including a revised timetable for a proposed SGM, with the final proposals likely to be laid before the membership in January 2022. SCOG had not yet had time to consider the feedback received, so this would not be discussed at the Board and Council Joint Briefing Session as had originally been hoped.

This was met with disappointment from various members of the Board, with concerns raised about the potential for extended timescales and continued uncertainty. It was noted that outstanding questions around governance were now impacting upon the recruitment for the vacant Chief Commercial Officer role, the ability to progress with the strategic objective of attracting external investment into the pro teams, as well as in providing clarity when dealing with existing and prospective sponsors and stakeholders, all of which posed risks to the organisation.

The President then confirmed that the Chair of SCOG would be able to provide some insight into the feedback received to date at the Joint Board and Council Session, with all feedback being made available to the Board in due course. There would be further opportunities for Board members to provide feedback on governance proposals in stage two of the consultation process.

There was some uncertainty over whether the external solicitors had been instructed by SCOG to start preparing draft articles of association and associated documentation for a new structure. It was suggested that if they had, they should be asked to suspend that activity until such time as clearer and more complete instructions could be given by SCOG, so as not to incur unnecessary costs while the preliminary proposals and feedback were being considered.

The Chief Executive explained that the Executive and Board wanted to help support SCOG, and to that end had purposely set time aside at the Board and Council Joint Briefing Session to discuss governance collaboratively and openly. It was therefore felt that this would be a wasted opportunity if meaningful feedback could not be discussed on the day.

Views were expressed that SCOG would benefit from listening to the views of people who had day-to-day responsibility for running the organisation when shaping their proposals. The Chief Financial Officer noted that investment would be a significant driver for boosting rugby's future success. Investors invested in structures and people and emphasised the need to avoid creating structures that might discourage future investment.

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After further discussions, the Chairman reiterated his hope that at the forthcoming Joint Session the Chair of SCOG would be able to provide further clarity on the feedback received so far. He hoped that SCOG would also be able to present their further thoughts on the consultation to the Board and Council before anything further was issued externally. The President confirmed that all feedback would be shared in due course. The Senior Independent Non-Executive Director requested that information also be provided on the alternative structures considered, and the research done or reviewed by SCOG in forming its proposals, along with a list of those individuals who had been consulted prior to the draft proposals being issued. IB, CR

8.2 *Board Committee Meeting Updates*

8.2.1 *Audit & Risk Committee*

The Audit & Risk Committee had met earlier in the week, with a verbal report provided by the Committee Chair. Topics had included the audit process and advance planning for the 21/22 audit and gender pay gap reporting.

There had also been some discussion, in the context of the Risk Register, of potential enhanced risks arising from ongoing uncertainty around governance structures.

8.2.2 *Nominations Committee*

The Nominations Committee had discussed who should fill vacancies on several Board committees following the retirement of Willie Gardner from the Board and the appointment of Hazel Swankie.

The Committee recommended, and approval was sought, for the following:

- i) The appointment of Hazel Swankie to the Audit & Risk and SWDI Committees; and
- ii) The appointment of Bob Richmond to the Investment Committee.

In each instance, the Nomination Committee recommendation was **APPROVED**, and appointments made accordingly.

An update had been provided to the Committee on progress on the recruitment of the Chief Commercial Officer, succession planning for the Independent Non-Executive directors, and the current position on international representatives. Activity on succession planning and in considering any changes to international representatives had been put on hold meantime due to the ongoing uncertainty regarding future governance structures.

9 AOB

The Chairman noted that AH would be stepping down from the Board on 30 September 2021 as a statutory director, and he was thanked for all his years of valuable contribution to the Board.

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

APPROVED BY THE BOARD

6 October 2021