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**SCOTTISH RUGBY LIMITED
SC132061**

**MINUTE OF MEETING OF THE BOARD OF SCOTTISH RUGBY LIMITED
HELD ON THURSDAY 14 DECEMBER 2023 AT 11:30AM**

COURTYARD BY MARRIOTT EDINBURGH WEST and TEAMS AV

Present:

John McGuigan	(JMcG)	Chair & Independent Non-Executive Director
Shona Bell	(SB)	Chief People & Engagement Officer (By Teams AV)
Ruth Davidson	(RD)	Independent Non-Executive Director
Mark Dodson	(MD)	Chief Executive
Mike Soutar	(MS)	Independent Non-Executive Director
Hilary Spence	(HSp)	Chief Financial Officer
Hazel Swankie	(Hsw)	Non-Executive Director
Alex Whelan	(AW)	Independent Non-Executive Director (By Teams AV)

In Attendance:

Faye Henderson	(FH)	Child Wellbeing & Protection Manager (Agenda Item 8)
Robert Howat	(RH)	General Counsel & Company Secretary
Julie Gemmell	(JG)	Head of People & Engagement (Agenda Item 8)
Al Kellock	(AK)	Managing Director, Glasgow Warriors (Agenda Item 6.1)
Laura Mahadea	(LM)	Paralegal & Executive Assistant (Minute Taker)

ACTION

1. INTRODUCTION

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

SB attended by Teams AV.

There were no apologies. No conflicts of interests were declared.

The Chair commented briefly on the arrangements for the strategy meeting due to take place the following day, encouraging all directors to participate. The additional workstreams on pathways, finance and stadium would all be fed into the process in January, for a consolidated picture to then be prepared.

2. MINUTES OF PREVIOUS MEETING

The Minutes of the SRL Board Meeting of 19 October 2023 were **APPROVED**.

3. ACTION LIST & MATTERS ARISING

- (i) *Appointment of Safeguarding Champion* – Hazel Swankie had now taken on the role of Safeguarding Champion, at the invitation of the ESG Committee.

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- (ii) *NED Briefings* – drop-in sessions would be arranged, starting January / early February 2024 **RH**
- (iii) *Charlotte Street Partners to attend SRL Board Meeting* – postponed to February Board Meeting. **RH**
- (iv) *KPI Tracker* – Exec performance /KPI tracking to be discussed by Remuneration Committee. Current approach to be maintained for now. **MS / RH**

RemCom approval thresholds had been considered – the potential uplifts were unlikely to make a substantial difference to the workload of the Committee and thresholds would therefore be kept at current levels.

- (v) *Data Protection* – on list of topics for future discussion/ presentation. **RH**
- (vi) *Cash position and financial outlook* – on list of topics for discussion but being covered as part of the separate financial analysis work being conducted.

On matters arising:

- INED interviews were being held the following week. Further induction sessions would be organised when the new INEDs had been appointed. **SB,RH**
- Each Board meeting should have a rugby-related element for discussion. The Head of Rugby Operations (David Edge) should be invited to the next Board Meeting to comment on the RWC review that had been conducted. **MD, RH**
- The Head of Pathways (John Fletcher) and Director of Rugby Development (Gavin Scott) should attend a future Board Meeting to give an update on Age Grade pathways and coaching, and an overview of the work being done in the domestic club game. **MD, RH**
- The Chair encouraged other SRL Board members to become involved in media activity promoting the organisation. The Director of Communications was to be asked to plan a media schedule. **MD,RH**

The agenda running order was adjusted.

Al Kellock, Managing Director of Glasgow Warriors, joined the Meeting.

4. Glasgow Warriors Presentation – Scotstoun Sub- lease

Reference was made to the circulated paper, which was taken as read.

In the course of the presentation AK highlighted the following, with questions also taken in the course of the presentation.

- Approval was being sought for a new 5-year sub-lease agreement to replace the current Heads of Terms.
- The underlying ownership structure was complex and involved Glasgow Life, Glasgow City Council and City Property (Glasgow) LLP.

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- The main terms of the proposed lease.
- The new rent included a significant uplift, however the rent had not been adjusted during Warriors' occupation of the facility (since 2012) and requests for an increase had been declined pending the new terms being formalised. Efforts were to be made as a part of the process of finalising the sub-lease to agree a cap on future increases. **AK**
- A review of use and needs had been conducted. Various alternatives had been considered - Scotstoun was seen as the best venue for Warriors' current needs.
- Warriors aimed to build a stronger relationship with Glasgow City Council and expand on current community activity - Scotstoun was seen as the cultural home of the club, with room for growth and development of relationships.
- The facility was functional from a performance perspective and worked well for hospitality, with the opportunity to increase stadium capacity in future, if desired.
- The condition of the current pitch and potential cost of replacement - replacement costs were anticipated to be shared with Glasgow Life and SportsScotland, as had been the case for the current pitch installation.
- The condition of the training track, with the possibility of this being relocated to the back training pitches.
- There were no plans to take on full operational control or acquire the stadium.
- A RAAC survey undertaken by Glasgow Life was not expected to affect the stadium.
- Some improvement works to fanzones had been organised but not implemented pending the lease being finalised. Some infrastructure should Glasgow Warriors relocate at a later date.

Following the presentation and discussion, the Board authorised :

- (i) the Managing Director of Glasgow Warriors to finalise the detailed terms and conditions of a sub-lease with City Property (Glasgow) LLP, Glasgow City Council and Glasgow Life for use of Scotstoun Stadium by Glasgow Warriors based on the terms set out in the accompanying paper, subject to efforts being made to improve the rental terms as outlined; and
- (ii) any 2 Directors, or any Director in the presence of a witness, or any Director and the Company Secretary to sign the agreement on behalf of Scottish Rugby Limited.

AK was thanked for his presentation and left the Meeting.

4. CEO UPDATE

The CEO's Report was taken as read. He highlighted the following:

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- External consultants [FIRM NAME REDACTED] had been appointed to review financial status and projections and support the strategic planning process.
- A pre-release viewing of the 6Ns Netflix documentary was due to take place in January 2024. The Marketing and Communications Department were working with partners on maximising the interest in the sport that would likely arise. The forthcoming 6Ns tournament was also being filmed with the possibility of a second series in mind.
- Jim Mallinder, Director of Performance Rugby, had decided to step down from his role in the Summer of 2024. Discussions were underway to identify a suitable replacement.
- Ticket sales for the forthcoming 1872 Cup Match and Six Nations were positive.

5. FINANCE UPDATE

The CFO's Report was taken as read. She highlighted the following:

- Cash was in line with the forecast paper tabled in June 2023. There was a high cash utilisation at this time of the year, ahead of receipt of 6Ns ticket proceeds. The CFO offered to brief any Directors who were appointed to the Board after June on the cash use profile.
- October 2023 EBITDA was [REDACTED – COMMERCIALY CONFIDENTIAL] to the budget but the overall forecast for the year [REDACTED – COMMERCIALY CONFIDENTIAL] and assuming a 13 month year and capitalisation of work being done on stadium condition and feasibility, strategic planning and Scotstoun improvements.
- Capitalisation of these costs would need to be discussed with the auditors once reports had been finalised.
- The cost of the additional strategic work being done by consultants had not been included in the 23/24 operating cost budget. A detailed review of costs was underway to identify potential savings across the organisation to accommodate these costs.
- The schedule of potential cost savings was to be shared with the Chair before being finalised and implemented. **HSp**
- A meeting had taken place recently with the stadium consultants to discuss financial modelling for infrastructure improvements. The CFO would update the Board once this had been considered and discussed in more detail with the CEO and Director of Stadium Development.
- In light of the amount of work being done on financial matters, the decision on changing SRL's financial year end to create a 13-month year was postponed until the next meeting, at which time further financial information, including from the financial aspects of strategy planning, should be available to enable a more fully informed decision to be made. **RH**

REDACTED - FOR PUBLICATION**6. APPROVALS**

The CEO referred to the 2 circulated papers on commercial contract proposals. Each fell within the threshold for which SRL Board approval was required. The papers were taken as read.

6.1 Commercial Contract – [NAME REDACTED – COMMERCIALY CONFIDENTIAL]

Approval was sought from the Board to finalise negotiations and then enter into an agreement with [REDACTED - COMMERCIALY CONFIDENTIAL]

After a brief the discussion the Board **AUTHORISED**:

- (i) the Chief Executive to finalise the detailed terms and conditions of an agreement with [REDACTED – COMMERCIALY CONFIDENTIAL] based on the terms set out in the paper; and
- (ii) any 2 Directors, or any Director in the presence of a witness, or any Director and the Company Secretary to sign the agreement on behalf of Scottish Rugby Limited.

6.2 Commercial Contract - [NAME REDACTED- COMMERCIALY CONFIDENTIAL]

Approval was sought from the Board for authority to finalise negotiations and enter into an agreement [REDACTED – COMMERCIALY CONFIDENTIAL]

After a brief the discussion the Board **AUTHORISED**:

- (i) the Chief Executive to finalise the detailed terms and conditions of an agreement with [REDACTED – COMMERCIALY CONFIDENTIAL] based on the terms set out in the paper; and
- (ii) any 2 Directors, or any Director in the presence of a witness, or any Director and the Company Secretary to sign the agreement on behalf of Scottish Rugby Limited.

6.3 SRL Year-End Change

Discussed earlier in the Meeting.

6.4 Agents' Regulations

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Reference was made by the Company Secretary to the circulated paper, which was taken as read.

Approval was sought to adopt a new Domestic Regulation 5 – Agents & Approved Intermediaries –to apply across the game in Scotland, but which was most likely to affect the dealings between the 2 professional teams owned by SRL and players’ agents. This, if adopted, would enable Scottish Rugby to comply with World Rugby’s own similar regulation and provide a more substantial framework for registration of agents and intermediaries operating within Scottish Rugby’s jurisdiction.

It was proposed that the Regulation be adopted with effect on 1 January 2024 and that an implementation period for registrations of 6 months be applied.

After a brief discussion , the Board:

- (i) **APPROVED** the draft Scottish Rugby Regulation 5: Agents and Intermediaries in the form tabled, to take effect on 1 January 2024 (the “Commencement Date”);
- (ii) **AGREED** that an implementation period of 6 months, beginning on the Commencement Date be applied to permit registrations to be completed by those required to register; and
- (iii) **AUTHORISED** the Company Secretary to correct any minor inaccuracies or typographical errors and make consequent adjustments to other Regulations, the Disciplinary Rules and guidance to the Discipline Committee necessary to take account of the new Regulation, its implementation and application as authorised above.

7. COMMITTEE REPORTS

7.1 Special Working Party Update – Cattigan Family

The Chair updated the Board on recent work including media interest and activity following on from the apology issued at the SRU AGM, further contact with the Cattigan family, and a charity collection at a Glasgow Warriors match. Board members would be kept updated.

JMcG

7.2 SRU Quarterly Report

The Chair confirmed that in addition to the regular report, the following had been highlighted to the SRU Board at their 30 November Meeting:

- Current status of the strategy process ahead of the joint strategy meeting on 15 December and including the engagement of consultants to assist with the financial aspects.
- The status of the [REDACTED – COMMERCIALY CONFIDENTIAL].
- The commercial contracts and Scotstoun sub-lease discussed earlier in the Meeting.

7.3 ESG Committee

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RD, as Chair of the ESG Committee, provided the Board with an update from the Committee's meeting of 29 November:

- Some minor amendments had been made to the Modern Slavery Statement. The updated statement was available on the Company's website.
- A vision statement on environmental matters had been discussed and approved. Some further work would still be required and the next step would be to put an action plan in place. This had been costed but was unbudgetted in the current financial year and was on hold pending funding being identified.

7.4 *Investment Committee*

MS, as Chair of the Investment Committee, provided the Board with an update from the Committee's recent meetings. The following points were noted:

- [REDACTED – COMMERCIALY CONFIDENTIAL]

7.5 *Nominations Committee*

JMcG, as Chair of the Nominations Committee, provided the Board with an update from the Committee's meeting of 7 December. The main business had related to the recruitment of additional Independent Non – Executive Directors.

As previously discussed with the Board, the search had been carried out through Scottish Rugby's own channels, rather than using external consultants on this occasion, with a large number of applications and a good variety of candidates. Applicants with financial and property skills had been sought but other appropriate skills were also being considered.

Shortlisted applicants were due to be interviewed within the next few days. Responses were being sent to all unsuccessful applicants.

The Board would be updated once the interviews had been completed, with **JMcG/ SB** recommendations to then follow.

7.6 *Committee Membership*

The Company Secretary provided the Board with an update on Board Committee membership, following Bob Richmond's retirement at the SRU AGM.

Each Committee remained quorate, except for the Audit & Risk Committee, noting that the minimum number of members and quorum for each Committee was two members.

This was discussed and options considered. While it was noted that the current recruitment process may lead to an appropriate individual with financial skills being appointed who could then join the Committee, it was **AGREED** that Ruth Davidson be appointed to the Audit & Risk Committee on an interim basis.

8. **SAFEGUARDING PRESENTATION**

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Julie Gemmell, Head of People & Engagement and Faye Henderson, Child Wellbeing & Protection Manager were welcomed to the Meeting.

A detailed presentation on Safeguarding was provided. Questions were taken from Board members in the course of the presentation, with the following noted:

- Safeguarding had moved to the HR Department in 2015 when a new Lead Safeguarding Officer was appointed.
- A partnership had been established with NSPCC, with various training days having taken place incorporating three levels of training targeting different audiences, internal, coaches and clubs. This had raised the profile of safeguarding.
- There had been an increased number of reports received as a better understanding of the work of the Safeguarding Department had developed among clubs. Statistics on the numbers and types of reports and how these had been dealt with were shared with the Board.
- The department was audited annually and was required to demonstrate how Scottish Rugby were meeting the expected standards.
- A training session on Safeguarding would be organised early in 2024 for CRB, SRL and SRU Board members.
- The Safeguarding Team provided monthly reports to the Rugby Development Department and would be providing reports to the ESG on a regular basis. A case management panel may also be helpful.
- A tool on SCRUMS to allow for automatic notification in connection with automatic notification of registration changes for restricted individuals was thought to be helpful and was being examined.

FH / RH

JG and GH were thanked for their presentation and their work in this field, and then left the Meeting.

9. FUTURE BOARD BUSINESS

Board members were asked to review the list of topics for discussion at the next meeting and advise if they wished any additional items to be added.

ALL, RH**10. AOB & NEXT MEETING**

There was no other business and the Meeting closed.

Next SRL Board Meeting: 1 February 2024.

APPROVED BY THE BOARD**1 February 2024**