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SCOTTISH RUGBY UNION  
SC748672

MINUTE OF MEETING OF THE BOARD OF SCOTTISH RUGBY UNION  
HELD ON FRIDAY 20 SEPTEMBER 2024 AT 13:30

BOARDROOM, SCOTTISH GAS MURRAYFIELD & TEAMS AV PLATFORM

**Present:**

Lorne Crerar	(LC)	SRU Chair and Custodian Director
Ian Barr	(IB)	Immediate Past-President & Custodian Director (On-Line)
Cheryl Black	(CB)	Custodian Director
David Grevemberg	(DG)	Custodian Director
Alison Milne	(AM)	Custodian Director
Colin Rigby	(CR)	President and Custodian Director
Keith Wallace	(KW)	Vice-President and Custodian Director

**In Attendance:**

John McGuigan	(JM)	SRL Chair (Items 1-6.4)
Shona Bell	(SB)	SRL Chief People & Engagement Officer (Items 1-6.4)
Laura Mahadea	(LM)	SRL Paralegal & Exec Assistant (Items 1-6.4)
Megan Gaffney	(MG)	SRU Board Advisor
Stuart McNally	(SMc)	SRU Board Advisor
Doug Struth	(DS)	Managing Director, Edinburgh Rugby (Item 4)
Al Kellock	(AK)	Managing Director, Glasgow Warriors (On-Line) (Item 4)

**Apologies:**

Maxine Manditsch	(MM)	Custodian Director
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**1. INTRODUCTION**

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

Megan Gaffney and Stuart McNally were welcomed to their first meeting.

**2. MINUTES**

The Minutes of the Previous Meeting (27 June 2024) had been approved previously.

**3. ACTION LIST & MATTERS ARISING**

*National Youth Academy* – JM and KW had met and agreed outcomes. This was well received with positive press coverage. Good progress was also being made the 15% budget allocation.

*Code of Conduct* – A new Code of Conduct for both the SRL and SRU Board was required further to the new Governance arrangements. SCOG were discussing and would revert in due course with their proposals. Alternative structures for the Club Rugby Board were also due to be discussed later in October at a scheduled meeting with SRU.

#### 4. PRO-TEAMS 25/26 – BUDGETS & RECRUITMENT

At the suggestion of the Chair the Agenda had been re-ordered to allow as a first Agenda item a Presentation from Doug Struth (DS), Managing Director of Edinburgh Rugby and Al Kellock (AK), Managing Director of Glasgow Warriors.

Doug Struth advised that the Pro-Teams were in the negotiation stages for player contracts for Season 25/26. Financial commitments were being discussed in relation to the overall budget for the Season 25/26 and approval was sought.

DS presented a number of slides to the SRU Board, highlighting a Pro-Team Investment Strategy, historical spend and recruitment timelines.

DS emphasised that reducing Pro-Team budgets to [ FIGURE REDACTED – COMMERCIALY CONFIDENTIAL ] creates financial, performance and reputation risk.

Both DS And AK had confirmed their commitment to deliver increased commercial revenues and had detailed this in their presentation which had already been delivered to the SRL Board at their Meeting on 29 August. Approval had been granted by the SRL Board but was subject to a number of guardrails:

- The difference between the [ FIGURE REDACTED – COMMERCIALY CONFIDENTIAL ] per team included within future projections at the time of 24/25 budget approval and the [FIGURE REDACTED – COMMERCIALY CONFIDENTIAL ] level per team requested must be made up through additional commercial revenues generated by the 2 Pro Teams beyond the level assumed within the budget projections so that the overall effect is budget neutral.
- The additional [FIGURE REDACTED – COMMERCIALY CONFIDENTIAL ] is to be calculated net of the cost of sales.
- Progress on enhanced revenues is to be evidenced on a continuing basis. This is to be monitored by the interim CFO and reported to the SRL Board.
- Player contract approval requests taken to the Remuneration Committee for approval are to be accompanied by reporting on the enhanced commercial revenue requirement.
- If there is insufficient progress evidenced on commercial revenues, operational budgets within the Pro Teams for FY25/26 will be reduced to maintain budget neutrality.

Recognising the budget-related element of the proposal, approval of the Custodian Directors was required before implementing the SRL Board approval.

Following a detailed presentation, with questions taken from the SRU Board throughout, approval was given to implement the proposed budget of [FIGURE REDACTED – COMMERCIALY CONFIDENTIAL ] per team.

The Chair thanked DS and AK for the clear and detailed presentation.

## 5. SRL CHAIR REPORT

### 5.1 SRL Chair Overview

JM referred to the circulated Report, which was taken as read. Additional details were also contained in the SRL Executive Report.

Key points highlighted by JM or covered in the Report were:

- JM noted that OC was unable to attend the Meeting. The July Management Accounts paper had been circulated in advance of the Meeting. The August Management Accounts had been prepared but had not been circulated to the SRL Board for review. JM suggested that the SRL Board have a special meeting to review the paper before circulating to the SRU Board. JM / LC
- The loss for the year (13 months) 1<sup>st</sup> June 23 to 30 June 24 is expected to be in line with the figures previously discussed – around [FIGURE REDACTED – TEMPORARILY CONFIDENTIAL] at EBITDA level and [FIGURE REDACTED – TEMPORARILY CONFIDENTIAL] at statutory P & L level, to which the costs of the redundancy programme will be added, once finalised. The like-for-like 12 month figures for SRL for 22/23 and 23/24 show a reduction from [FIGURE REDACTED – TEMPORARILY CONFIDENTIAL] in 22/23 to [FIGURE REDACTED – TEMPORARILY CONFIDENTIAL] in 23/24.
- Further work was required in relation to KPI targets and these were being reviewed.
- The SRL Board had a detailed discussion on wage budgets for FY25/26 ahead of player contracting for that season being implemented which had been discussed earlier in the Meeting and presented on by DS and AK.
- A confirmed start date for new CEO, Alex Williamson was still in the negotiation stages and an update would be provided at a later date.
- David Nucifora is due to start with Scottish Rugby on 1 October as a Consultant for a period of up to 2 years.
- Stephen White officially joined the SRL Board on 29 August 2024 and feedback in terms of his contributions so far has been extremely positive. SW will also Chair the Audit & Risk Committee.
- A recruitment process is underway for the recruitment of a Chief Financial Officer and a Chief Commercial Officer.
- Hazel Swankie is due to retire from the Board on 27 November following the AGM.

Confirmation is needed from the Custodians on whether they will replace HS as a Non-executive Director of SRL when the vacancy arises following the AGM. LC explained that a decision would be advised to SRL following a meeting scheduled with SCOG and the SRU Board in late October. LC

- *Six Nations* – JM commented on the upcoming World Rugby and Rugby Europe Chair Nominations process. It was noted that each of the candidates would be presenting

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on 1 October and Ruth Davidson was nominated to attend that meeting in the absence of JM as Chair. Any member of the SRU Board would be welcome to attend the meeting of 1<sup>st</sup> October and were to advise LM if they wished to do so. The SRU Board would have the opportunity to meet each of the candidates throughout October. LM would set up the meetings and send invites accordingly. **LM**

- *Cattigan Family* – JM provided a brief update on ongoing matters. It was noted that Graham Law, Head of Stakeholder Engagement, was working with Mr & Mrs Cattigan in relation to the intended memorial at Murrayfield. LC thanked JM for all his efforts.
- *Nations Cup* – [REDACTED – THIRD PARTY COMMERCIALY CONFIDENTIAL ]

*Women's Team* – The Team remain 6<sup>th</sup> in World Rankings, and have been in camp, preparing for their Autumn Tests (Wales & Fijiana on 6 and 14 September) and the WXV2 tournament in South Africa in late September.

[REDACTED – PROJECT INTERNALLY CONFIDENTIAL ]

### 5.2 SRL CPEO Update

Key points highlighted by the SB were:

- Redundancy costs were expected to be in the region of £350-£500K but this was subject to the full consultation period ending. These anticipated costs were in-line with the budget.
- *Collective Consultations* – the collective consultation period had now concluded. It was noted how constructive the process was with good dialogue from the Employee Representatives. Individual consultations were now underway with those whose roles were at risk.

## 6. COMMITTEES AND WORKING GROUPS

### 6.1 SRL Nomination Committee Report

A report had been provided with the papers and JM had covered this earlier in the Meeting.

### 6.2 CRB Update

KW, as Chair of CRB, referred to the circulated report, highlighting:

- Work was ongoing in relation to the 15% of funds. A further report was being drafted with a meeting due to take place in the coming week which KW believes would show an increase to this percentage allowing a bigger share of the overheads, leaving the situation relatively similar to prior years. Board Approval would be required in due course. **KW**
- A new CRB Sub-Committee Group had been set up.

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- The Alba deal has been positively received by Clubs. It was noted that costs were significantly less than previous with S6 with the same amount of coverage.
- There will be four elections at this year's AGM to fill vacant posts within the CRB. The Head of Legal was in the process of dealing with this.

### **6.3 Inclusion, Diversity & Complaints Working Group**

A final report was in the process of being reviewed. The Head of Legal had provided feedback and a meeting was due to take place to discuss and finalise.

## **7. SRU BUSINESS**

### **7.1 Referee Cap Proposal**

The President (CR) raised the topic of Caps for Referees as part of the retrospective caps project following a decision of the SRU Custodian Board, retrospective caps have been awarded to 75 Scotland male players.

The next phase of the project was to look at players who, inadvertently, did not receive a cap having represented Scotland Women in international matches this is now complete.

Thereafter, CR intimated a desire to move on to awarding physical caps to Scotland's international referees on behalf of Scottish Rugby Union and sought SRU Board approval to begin that process.

A small working group – [ REDACTED – DATA PROTECTION - NAMES OF INDIVIDUALS ] has considered options, in light of international referees receiving cap recognition from eg England, Wales and Ireland. [ REDACTED – INTERNAL PROJECT – CONCLUSIONS CONFIDENTIAL MEANTIME]

### **7.2 Risk Register Update**

The updated Risk Register was noted.

### **7.3 Vice-President Election Update**

The details of the update were noted.

### **7.4 2024 AGM & Annual Report Planning**

A sub-group of CR, KW and LC have been formed for planning purposes.

### **7.5 Custodian Declarations – Year to 30 June 2024**

One declaration was outstanding and would be completed as soon as possible.

### **7.6 FY23/24 Audit – Fraud Procedures & Declarations**

The procedures and proposed approach was agreed.

**7.7 Board Dates 2025**

The Board dates for both SRU and SRL were noted.

**8. AOB**

The Chair thanked those attending for their contributions.

The Meeting closed at 16.00

Next scheduled SRU Board Reporting Meeting – 31 October 2024.

**APPROVED BY THE SRU BOARD**

**31 OCTOBER 2024**