

MINUTE OF MEETING OF THE BOARD OF SCOTTISH RUGBY UNION

16 APRIL 2025 AT 2PM
HELD IN-PERSON AND BY TEAMS

BOARDROOM, SCOTTISH GAS MURRAYFIELD

Present:

Lorne Crerar	(LC)	SRU Chair and Custodian Director
Cheryl Black	(CB)	Custodian Director
Maxine Manditsch	(MM)	Custodian Director (By Teams)
Alison Milne	(AM)	Custodian Director
Colin Rigby	(CR)	Immediate Past President and Custodian Director
Hazel Swankie	(HS)	Vice-President and Custodian Director
Keith Wallace	(KW)	President and Custodian Director

Attending:

Alex Williamson	(APW)	Chief Executive (Items 1- 4.2, inclusive)
Oliver Colling	(OC)	SRL Interim Chief Financial Officer
Megan Gaffney	(MD)	SRU Board Adviser
Robert Howat	(RH)	SRU Company Secretary
John McGuigan	(JM)	SRL Chair
Stuart McInally	(SM)	SRU Board Adviser
Stephen White	(SW)	SRL Independent Non-Executive Director (Item 5.1)

Apologies:

David Grevemberg	(DG)	Custodian Director
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1. INTRODUCTION

LC noted a quorum was present and opened the Meeting.

Apologies were received on behalf of D Grevemberg.

APW was welcomed to his first Quarterly Reporting Meeting.

No conflicts of interest were identified or declared.

2. MINUTES OF PREVIOUS MEETING

LC noted that the Minutes of the previous Quarterly Reporting Meeting held on 16 December 2024 had been approved and published.

3. ACTION LIST & MATTERS ARISING

Reference was made to the circulated list.

JWG Report on Inclusion & Diversity and Complaints – final comments from Working Group members were being considered by the Working Group before completing their Report and recommendations to both Boards.

Meeting with D Nucifora – to be arranged for the next Meeting.

APW,RH

Brief SRL Board on work of SCOG – discussed later in the Meeting.

Remaining actions had been completed.

4. SRL CHAIR REPORT

4.1 SRL Chair Overview

JM referred to the circulated notes, which were taken as read, with further comments from JM on the following:-

- APW had been in post for three months and was creating a good platform for the business moving forward.
- With APW in place the number of invitees from the Executive Team attending the SRL Board meetings had reduced. The Non-Executive Directors on the SRL Board were being matched with members of the Executive Team to assist in providing mentoring and guidance. APW would comment further later in the Meeting.
- Thanks were expressed to CR for his recent assistance as Chair of the SRU Nominations Committee with the process and skillset for the appointment by SRU of a further Non-Executive Director to the SRL Board. Candidates with experience in performance and sport were being sought.
- High Performance Director observations and recommendations – these had been discussed by the SRL Board in mid-March – APW would comment later in the Meeting.
- Financial – OC would comment in more detail but JM highlighted the continuing objective of the SRL Board of meeting or bettering the budgeted statutory loss figure of (£3.8m) for FY24/25. The task was then moving from the FY24/25 loss figure to a balanced position in FY25/26. It was recognised that there were some challenges in doing so, including the Six Nations home/away match cycle with two home games and three away in the 25/26 year and a full year of Employer NI increases.
- Process to be adopted for FY25/26 budget planning – it was recognised that both Boards needed sufficient time to go through the draft budget ahead of the formal approvals scheduled for mid and late June respectively.
- Board Effectiveness – JM expressed his thanks to LC for the joint approach being adopted to assessing Board effectiveness. LC confirmed that he was due to meet with R Davidson and S Bell in the coming week as part of the scoping exercise, before identifying an external consultant to facilitate the assessment.
- Independent Financial Review – Stephen White, as Chair of the Audit & Risk Committee, would act as the SRL lead in considering recommendations from the financial review panel when available.

4.2 SRL CEO Executive Update

APW referred to a series of slides and commented on the following operational matters :-

REDACTED FOR PUBLICATION

- *World Rugby* – APW had been appointed by World Rugby to their Audit & Risk Committee.
- *Shape of the Game Conference* – the conference had been helpful although financial sustainability had only been covered briefly. Scottish Rugby's concerns on that topic continued to be shared by other Unions.
- *Women's Game* – funding priorities continued to present some challenges, with continuing discussion with World Rugby, other Unions and within the Six Nations.
- *Initial observations* - APW provided some reflections on his first few months at Scottish Rugby.
 - Governance was clear, with both Boards working together for the purpose of achieving outstanding outcomes.
 - It had been helpful to see the organisation operating during the peak period of the 6Ns tournament. This had been a success from a financial and operational perspective, recognising that some things could be done differently in future. Feedback to date had been strong. Stadium infrastructure did not lend itself well to customer satisfaction on issues such as toilets but the overall impression was of strong performance.
 - APW had met most departments within the business, with honest feedback given, and good energy despite the absence of key leaders for a lengthy period and the redundancy process undertaken. There were some recurring questions around resource levels.
- *CCO* – now appointed. He was expected to make a material difference moving forward.
- *CFO recruitment* - final interviews were due to complete shortly, in anticipation of an appointment, potentially in June. OC would continue to support the organisation as required. APW emphasised that considerable work on diversity had been included as part of the process, although there was some disappointment in the lack of a fully diverse range of candidates.
- *Strategy* - APW was satisfied that the strategic pillars approved previously were the right ones for the organisation, with there now being a focus on aligning those with a detailed business and implementation plan. This was intended to be discussed at the June meetings. **APW**
- *Murrayfield Licence* – the City of Edinburgh Council Licensing Board had recently approved an increase in the number of concert nights which could be held at the stadium each year, with a Minute of Agreement to be entered into with the Council enshrining the ongoing operational relationship for events and providing the opportunity for some flexibility for future business.
- *Centenary Celebrations* – underway, with a particular focus on the Autumn game against New Zealand. There was a desire to be more extrovert in the promotion of the Centenary Year.
- [REDACTED – COMMERCIALY CONFIDENTIAL]

- *SRL Board & Executive* – the intended partnering and mentoring approach was explained under reference to the various individuals and functions involved.
- *Murrayfield Development* – the extent and complexity of the work involved for the stadium and the wider campus was difficult to manage as a single project. Consequently, the workstreams were being split under separate working groups reporting through to the SRL Investment Committee. Chris Stewart, an independent Non-Executive Director on the SRL Board with significant property development experience was closely involved.

A Funding Working Group, including experienced external advisors, was being created to examine funding streams. The intention was ultimately for high-level campus development proposals to be included in the 2040 Edinburgh City Plan and to transform the campus as a whole into a significant new income generator for Scottish Rugby in the long-term.

Questions were taken from Custodian Directors:-

- HSW asked about the strategy process and status, with APW confirming that he did not see a need for any material change to the previously approved strategic plan. Work on the detailed business and implementation plan supporting the new pillars was beginning. APW would provide a summary of the Group level activity for both Boards. **APW**
- LC enquired about the Culture & Values work undertaken, referring to the summary included with the papers, and its status within strategic planning.

JM confirmed that the summary outlined the output from the work conducted earlier in the year as one of the initial actions arising from the Strategy. It had involved people from across the organisation, including some of the Custodians.

CR asked how the new Values might be communicated with greater impact than they had to date. APW highlighted their importance as part of an integrated approach with the Strategy and the business plan. The new Values would be communicated once the business plan work had been completed.

- In answer to a question from KW on timing, APW estimated that it would take 6-8 weeks to create the top and medium level detailed list of tasks in the business plan. Group actions would be flagged to the SRU Board to fit in with the budget approval process in June.
- CB enquired about the headcount numbers provided with the papers, and asked about the risk of burnout and loss of corporate memory noted within the Risk Register.

APW considered that the effect on people of corporate restructuring should not be underestimated – this often caused fatigue for some, although this should be short-term.

In relation to headcount data, OC confirmed that part of the reason for differentials was changes in prior years where a number of female players had become employees, as well as the approach adopted to vacancies and the timing around filling those.

It was noted that the changes in headcount were likely to be the subject of interest on the part of members at the AGM with information on that to be provided and presented clearly. OC

APW then commented on a number of rugby-related matters:-

- *High Performance Department*

Work had been done by David Nucifora to create a clearer alignment of roles and responsibilities in the High Performance Pathway and National Team. A number of roles had to date been on a dual basis. Changes were being made to strengthen in some areas, particularly specialist functions. The existing and proposed organisation charts were displayed.

Investment would be made into the adjusted structures with the underlying objective of focussing on developing talent and exceptional performance. Blended roles were considered to compromise that objective.

CR asked about the role heading Women & Girls Rugby in the High Performance environment. APW confirmed that the current role was a dual one and not as clearly defined as desired. This was expected to be addressed through the process being conducted.

MG enquired about the Women's Pathway in the new structure. APW confirmed that the role of Head of Women's Rugby would pull on other functions and resource within the High Performance Team and create an aligned approach. The performance mindset should be the same across all teams including men, women and professional teams.

The proposed structure was intended to be in place for the coming season. Two senior positions had been addressed so far. Discussions with other colleagues on proposed adjustments were taking place in the coming week. Potential new posts would then be advertised.

JM confirmed that the SRL Board were asking the Executive to consider what the continuing objective for rugby success should be, how that should be balanced against available resource and the objective then appropriately supported.

APW advised that the High Performance Director was considering that issue – the approach adopted would create a greater focus on a smaller number of players, developing excellence and that ultimately flowing through to National Team performance.

AM asked about the extent of support available to players from a mental wellbeing perspective and the opportunity for Scottish Rugby to lead in this area.

APW undertook to check the approach being adopted – developing a leading position on mental strength support for players would be a positive step. SM offered to be involved in mentoring, confirming that improved mental strength coaching would, from his experience, be of significant benefit.

KW queried whether the changes being presented were a material change of strategy, in which case SRU Board approval would be required.

APW advised there was no substantial change to the Strategy previously approved; the work being done was focussed on roles, responsibilities and accountability within the previously approved Strategy and pathway structure and addressing the issues around dual roles and silos.

LC observed that some adjustments in strategic approach were inevitable through the course of the year and could also then be discussed as part of the budget approval in June.

KW asked about the relatively high number of direct reports to the High Performance Director and given the extent of the changes, how the function would operate during his periods of absence on other work. APW confirmed that a number of ideas on how that would be addressed were being considered but these were not yet fully formed and would be confirmed in due course.

JM noted that the High Performance Director had been very active in providing clear views and recommendations. It was recognised that others would need to drive the process forward in his absence. It was agreed that it would be beneficial for the High-Performance Director to meet with the SRU Board on his return.

APW,RH

- *Women's Rugby*

APW commented on continuing work on contracting female players, and highlighting some risks to external funding, particularly the Celtic Challenge.

World Rugby were willing to provide some funding towards the cost of the international calendar for the Women's National Team, being a total of [REDACTED – COMMERCIALY CONFIDENTIAL] for each union. There was not considered to be any significant upside in these numbers, with costs for travel and media production still to be met by individual unions and rights warehoused within World Rugby. This was being discussed with Six Nations, although Six Nations were not contemplating additional funding themselves.

CR commented on World Rugby's approach to managing tournaments including the Junior World Trophy and asked about the level of support provided by World Rugby for the female game by comparison to the male game.

APW confirmed that the World Rugby funding [REDACTED – COMMERCIALY CONFIDENTIAL] was intended to replace existing WXV funding. The Six Nations were focussed on the Nations Cup, with World Rugby investing in women's rugby in the USA ahead of the Rugby World Cup.

MG raised a question in connection with Women's Team contracts and the timing of contract extension discussions. APW advised that the approach was intended to provide some short-term certainty while the future of the Celtic Challenge was determined. APW was aware of some frustration on the part of the players as a result and was actively involved in trying to resolve current concerns.

In connection with a further question from MG on the Celtic Challenge and an alternative if the tournament did not continue, APW advised that if that was the case a discussion would be needed with the SRL and SRU Boards on funding levels and priorities - it was not thought possible to continue to fund the Celtic Challenge as it had been to date and also meet the cost of bringing players back to be employed in the pro teams in Scotland.

- *Men's Six Nations* - Fourth place was viewed as disappointing in the context of strong performances in the games themselves. U20s had shown growth in talent and performances with some exciting rugby played.
- *Pro Teams* - Fortunes were mixed as between Glasgow and Edinburgh at URC level but with performances strong in Europe and sell-out crowds expected in remaining games.
- [REDACTED – COMMERCIALLY CONFIDENTIAL]
- *World Rugby. Shape of the Game Conference* - The High-Performance Unions were pressing World Rugby hard on financial matters. The view within SRL was that there was a continuing need for more collaboration, aggregation and focus on cost reduction.

KW asked about the tackle height trials and whether the outputs from studies from the club game were being taken on board by World Rugby.

APW confirmed that tackle height trials were discussed by World Rugby at the Conference but a watching brief was being maintained at professional level. Concerns that World Rugby was not taking on board the output from the trials conducted in the domestic game would be flagged at the next World Rugby meeting in May.

APW

- *Six Nations Media Deal* - APW commented on the recent Six Nations media deal [REDACTED – COMMERCIALLY CONFIDENTIAL]
- *Nations Cup* - [REDACTED – COMMERCIALLY CONFIDENTIAL]
- *High Performance – Oriam* - The High Performance Department were working on achieving a greater presence at and use of the Oriam facility, ideally with the ability to find a sponsor to support that.

APW was thanked for his presentation, with no further questions.

- *Anti-Doping Champion* - CB volunteered to take on that role.

APW then left the Meeting for another engagement.

4.3 Finance

OC referred to the circulated papers which included the February Management Accounts. The March Management Accounts and Q3 forecast had recently been completed.

OC was confident about meeting or bettering the budgeted statutory loss figure of (£3.8m), with an outcome of £3.6m considered achievable, with further improvement also possible.

Most of the major business for the year had been done with additional costs such as from the changes to National Insurance and National Living Wage, the postponement of the Billy Joel concert and redundancy costs accommodated within the additional revenues achieved within the year.

Reference was then made to a series of slides with detail from the March 2025 Management Accounts.

Reference was also made to the P&L with various risks and opportunities.

OC advised that it was intended to replace the main stadium pitch at Scottish Gas Murrayfield. This would result in a depreciation-related charge to the P&L.

Upside potential for the year remained, with the mitigations applied during the year.

There would be some challenges for the 25/26 financial year to be addressed in reaching a breakeven position. The objective for that year discussed in June 2024 had been the generation of a positive cash position at EBITDA level, noting that might still create a negative position on the statutory accounts due to accounting for non-cash elements such as depreciation. The objective remained to use best efforts to reach breakeven at statutory level. The budget was being linked to achievement of the strategic plan pillars.

It was confirmed that the budget process was being structured to keep Board Members updated ahead of the formal approval meetings on 12 June for SRL and 26 June for SRU.

Questions were then taken from Custodians.

CR asked about tracking of actual numbers against budget and what happened if individual departments exceeded budget.

OC referred to the slides, referring to the YTD tracking against budget and confirmed that approach now adopted was now very different to previous years with close scrutiny from the SRL Board, a key focus on costs and detailed reforecasting each quarter enabling early identification of issues. Risk to budget was followed up.

HSW asked about the pre-approved Pro-Team budgets for FY25/26 and whether the additional challenge applied to them was being met.

OC confirmed that the teams were overachieving on the targets set, particularly on revenue but also on costs. Their contracting for the 25/26 season had been largely completed.

In response to CB, OC confirmed that the upside element had arisen from both revenue improvements and cost reductions. Some potential upside might also be expected from tournament progression through the course of the season, albeit that had accompanying costs.

The stretch targets applied to the two professional teams to underpin their 25/26 wage budgets levels had been agreed as needing to be met over two years but it appeared that this would be mostly met over a one year period.

LC asked about the cash position, including by comparison to the prior year.

OC referred to the slides and the favourable position at the end of March 2025 of approximately [REDACTED – CONFIDENTIAL] ahead of budget. It was expected to be around [REDACTED – CONFIDENTIAL] v £16m in the prior year. The final payment from the CVC transaction with 6Nations was due on 1 July.

LC also asked about the outlook for breakeven in FY25/26 - OC confirmed this was the objective being included as part of the initial budget planning process but this would ultimately depend on the budget process outcomes.

JM emphasised the importance of ensuring key messages and financial results were clearly communicated to the membership.

OC noted that based on the current forecast, year on year the organisation's loss position had improved by almost £8m from FY23/24, with approximately £3.5m further improvement to then make for the FY25/26 year.

HSW asked about the proceeds from the sale of Billy Joel concert tickets – OC confirmed that this continued to be held by SRL, subject to refunds. Most of the current cash held related to ticket sales from the Oasis and AC/DC concerts.

KW asked about Treasury Policy – OC confirmed that this was actively applied with some funds on longer term deposit bearing higher interest. There had been discussion with SW as Chair of Audit & Risk about risk appetite and alternative deposits. This had been deferred until the appointment of APW.

JM noted that if there was further upside generated in the current year against budget, thought would be given to whether this should be utilised and the SRU Board kept informed.

OC was thanked for his report.

4.4 *Material Matters*

Reference was made to the list provided, with no queries.

5. COMMITTEES AND WORKING GROUPS

5.1 *SRL Audit & Risk Committee Report*

SW joined the Meeting by Teams AV.

Reference was made to the circulated report with SW commenting on the following:-

- The Committee was satisfied that there were robust controls in place, good forecasting against budget and transparent and open approach adopted in conversations with the Committee. The organisation was on track to meet or better the budgeted figure with no surprises expected.
- Committee composition, membership changes, the work done in connection with the prior year's Financial Statements and actions flowing from that, including work on the level of estimation and recognition of revenues.
- Cash and Treasury – no changes had been applied in the course of the year. The insight and experience of the Committee members had been sought, with a low risk approach adopted. SW and OC had been discussing alternative types of deposit and interest bearing instruments but this had been placed on hold pending the arrival of APW.

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- Activity at the recent March meeting had included review and approval of the 24/25 Audit Engagement Letter and fee, discussion and recommendation of changes to the Committee's Terms of Reference to introduce guidelines on audit partner rotation, audit tenders and audit firm rotation, and discussion on and approval of the Gender Pay Gap Report, with some adjustments made at the Committee's request. The previous year's audit process had also been discussed with the auditors but without the finance team present. No significant issues had been raised although the process had felt a little more rushed towards the end than previous years.
- The Committee had been pleased with the work undertaken by the interim CFO and the Finance Team and the level of early collaboration between them and APW.
- Workstreams for the coming period were identified with SW confirming his involvement in CFO recruitment, commenting on the need for a smooth transition to the new CFO from OC, and the importance of appropriate forecasting. Various other actions were being worked on by the Committee with no particular concerns arising.

Overall, a statutory loss was expected, in line with or better than budget, with improved rigour, governance and a tight grip on expenditure and controls being displayed. The Committee did not consider that there was any material risk to the plan or the forecast for the year.

LC thanked SW for his Report and emphasised the importance of both Boards being assured by the work being done. MM as the observer to the Audit & Risk Committee had been reporting regularly to the Custodians.

Questions were then taken.

LC asked about the status of the recommendations from the earlier expert reports commissioned, with SW confirming that these were being tracked through the Audit & Risk Committee and would be picked up as part of their ongoing actions.

There were no further questions and SW left the Meeting.

FY24/25 Audit - Engagement Letter and Fee

Reference was made to the request for approval of the Audit Fee and Engagement Letter for Johnston Carmichael for the audit to be conducted for SRU for Financial Year 2024/25.

Following discussion, it was **RESOLVED** that the terms of the Audit Engagement Letter for Johnston Carmichael LLP and Audit Fee for Financial Year 2024/25 be and are **APPROVED**, **RH** with the Company Secretary given delegated authority to sign the letter on behalf of the Company.

5.2 *CRB Update*

HSW commented on CRB meetings chaired by her since becoming the Vice-President. Meetings had been held on 21 January 2025 and 12 March 2025 and Minutes published.

The CRB membership was now complete noting that the Standing Committee on Governance was due to attend the upcoming CRB Meeting at the end of April.

HSW also then referred to recent activity including :

- the Community Recognition Awards,

- the National Awards Panel;
- the upcoming Community Game Conference on 17 May;
- the consultation on the Male Season Adult Structure;
- Player Payment Review and consultation was also underway with follow-up likely in early May; and
- formation of a Finance Working Group to look at the 2025/26 budget and meeting ahead of the SRU Board Meeting in June.

After discussion with SCOG it had been confirmed that the CRB could create sub committees and it was likely they may look at issues such as rugby 7s.

LC asked about the next stage for the 25/26 Rugby Development budget, with HSW confirming that this was almost set with various items and breakdowns discussed. Some aspects had been paused pending league changes.

5.3 *Inclusion, Diversity & Complaints Working Group*

This had been dealt with earlier in the Meeting.

5.4 *Joint Meeting of the Nominations Committee & International Reps*

Copies of the Minutes of the most recent meetings had been circulated with the papers, with no questions.

5.5 *Standing Committee on Governance Update*

LC confirmed that he had met with Bobby Frazer, Chair of SCOG recently. The main focus of the work of SCOG was on CRB with that almost done. It was not thought that any change to Articles of Association would be needed.

Meetings and consultation were being planned for clubs and with the Rugby Development Department through the remainder of April and May.

Work on the new Code of Conduct was almost concluded, which would be circulated when available. Bobby Frazer would be in touch with APW. He was happy to attend an SRL Board Meeting if desired.

JM advised that he was speaking with the SRL Non-Executive Directors in connection with succession planning, recognising the expiry of various individuals' Terms of Office in the coming 18 months or so. SRL also intended to appoint a Senior Independent Director from among the existing non-executives.

6. **CUSTODIAN FEEDBACK AND DISCUSSION**

Various points were then discussed:

- CR shared that some disappointment had been expressed regarding the lack of the representation at the recent women's game in France. While there were individuals willing to attend, the location and timing of the match had made the associated costs and travel time prohibitive.
- CR mentioned an overall calendar for games - one was being prepared within Rugby Development. OC confirmed that work was underway to provide a comprehensive

OC

global events calendar within the organisation. This should be circulated once completed.

- 4-year financial planning - OC confirmed in response to KW that this would be included as part of the budget process.
- JM emphasised that there was a recognition of the need to provide budget information to both Boards ahead of the formal approvals. It was accepted that some information provided early would not be complete and may need to be updated but recognised there would be benefit in advance awareness of budget content.
- Comments had made to LC at a recent game about more games taking place in the Borders area.

7. SRU BUSINESS

7.1 *FY24/25 Audit Fee & Engagement Letter*

This has been dealt with earlier in the Meeting.

7.2 *Budget / Strategy Approval Process 25/26*

This had been discussed earlier in the Meeting.

7.3 *SRU AGM 2025*

Reference was made to the circulated note. The Directors **RESOLVED THAT** the Scottish Rugby Union 2025 AGM should be held on a hybrid basis.

Two potential dates had been identified, with it being agreed that the Club Rugby Board should consider, in conjunction with the President, which of the two dates and times were considered to be most suitable. **KW**

Information on costs would be passed to KW before then reverting on which date was preferred. **RH, KW**

7.4 *Risk Register Update*

Reference was made to the note within the papers, with no comments.

7.5 *Board Effectiveness Training*

This had been commented on earlier in the Meeting.

7.6 *FY24/25 Custodian Benefits Declarations*

A copy of the template declaration form had been provided, with the Directors asked to complete and return to the Company Secretary for the financial year end. **DIRS.**

7.7 *Independent Review Update*

LC confirmed that an interim report was expected in the coming month. Three additional members were joining the Panel as part of discussion on governance matters, and it was expected that the review would be completed within the next several months.

8. AOB & CLOSE

KW referred to the briefing paper provided to the SRL Board relation to the new Terrorism (Protection of Premises) Act and wondered whether there might be a potential impact on some domestic clubs. Some information for member clubs in relation to that may be helpful. **GD/GV**

SM referred to comments made in SRL minutes in relation to a Player Advisory Group for the SRL Board. JM confirmed that this was ongoing, and he was willing to invite both MG and SM to attend that, once formed. **JM**

LC thanked all those for attending and their contributions and closed the Meeting.

APPROVED BY THE SRU BOARD
14 MAY 2025