

INITIAL CONSULTATION DOCUMENT OF THE STANDING COMMITTEE ON GOVERNANCE

13 August 2021

In addition to the video delivered by the President, the Standing Committee on Governance (SCOG) have set out a high-level overview of the proposed governance structure below. A structure diagram has also been provided.

Note from the President on the work of the Standing Committee on Governance

By way of background, in October 2020, I asked Gavin MacColl QC to lead an independent review into the governance of Scottish Rugby. Gavin, having previously led the Standing Committee, was well placed to take this task on due to vast legal expertise and his knowledge of the current structures of Scottish Rugby's governance framework.

As part of our review, the Standing Committee have taken independent legal advice on a number of aspects of governance including the Trust. As the Trust has been in place since 1911, largely untouched, we felt this was a good starting point. The advice confirmed what we already knew, that the sole beneficiary of the Trust is the Union (which is made up of the members).

We have been keen to ensure that the members' ownership of the Union is enshrined in any new structure going forward.

The Standing Committee are extremely mindful that any proposed structure must place the Clubs at the centre of what we do and there must be clear lines in place that ensure that the Union is responsible, accountable and transparent in all of its dealings with its membership.

We also need to keep in mind that Scottish Rugby, as well as being a sports governing body, is a business with a substantial turnover which must be able to operate nimbly and effectively in a modern sporting world.

These two arms of our business have at times not worked in synergy and one of the Standing Committee's aims has been to find a framework that balances these two parts of the business and creates a simplified structure that streamlines decision-making and bolsters the accountability of the organisation to you, our Members.

You will see in the information below and the structure diagram the proposed function and responsibility of each part of the structure.

The proposed model has been debated at length by the Council and the Standing Committee and not everyone is in agreement. They never will be. But we want you, the Members, to consider this structure as a starting point for discussion. It is not the finished article and may well change.

Until we have your feedback and you have had time to consider our initial proposals, no final decision has or will be made. I would encourage you and everyone at your Club to consider the consultation pack, when it is released, with an open mind and participate in the process so we are able to finalise a structure that puts Scottish Rugby's governance structure on a solid footing for years to come.

After this initial period of consultation, we will consider your feedback and report back to you. A final stage of consultation will then be conducted before hopefully calling an SGM in the latter stages of 2021.

Many thanks



Ian Barr
President of Scottish Rugby Union

1. “New Co” - Company Limited by Guarantee (CLG)

NewCo is a company limited by guarantee that sits at the apex of the Scottish Rugby ecosystem. The Board of the Company has to have an active role and in the proposed structure would ultimately be accountable to the Members. We believe that this structure provides strong representation for the Membership, with appointments being directly elected by Members.

Suggested Responsibilities:

- Holds Shares on behalf of the members (clubs)
- Nominations
- Governance
 - Articles and Changes (e.g. to go to membership approval)
 - Group Code of Conduct
 - Decision Making Matrix
 - Declaration of Interests / Conflicts Policy
 - Responses to Club AGM Motions
 - Admissions to new member clubs (advice from SRUL /CRB)
- Murrayfield Injured Players Foundation
- All AGM Matters, including setting the date, calling the meeting, dealing with motions and amendments and responses
- Approval of Major Capex projects
- Approval of major investments and disposals unless requires under reserved powers to membership
- Responsibility of appointing SUL CEO, INDEs
- Signing Group Financial Statements
- Monitoring Group KIP’s
- Final Group Strategy Plan Approval
- Final Group Budget

Suggested Membership: (7)

President	(2 Year Term)
Immediate Past President	(2 Year Term)
2 x Elected from Clubs	(2 x 3 Year Term) – <i>Not from SRUL or CRB</i>
2 x Appointments from Nominations	(2 x 3 Year Term)
Independent Chairperson	(2 x 3-year Term)

2. Scottish Rugby Union Limited (SRUL)

SRUL is the main operating vehicle within Scottish Rugby. This entity, and the Board associated, will be responsible for the day to day running of the business, for producing and implementing the Group Strategy and Budget (once approved by the SRUL Board and CLG Board) and for overseeing the CRB and the PRB.

Suggested Responsibilities:

- Setting Scottish Rugby’s Overarching Strategy
- Financial Wellbeing and Commercial Interests of Scottish Rugby
- Execute against objectives of a National Governing Body
- Group Budget formulation and implementation
- All aspects of commercial contracts (per decision making matrix)
- KPI Setting for Club Rugby Board and Performance Rugby Board
- International Relationships and Bodies
- Policies and Financial Control
- Old Glory and Other Investments
- Standing Committees:
 - Audit & Risk
 - Diversity, Inclusion and Well Being
 - Investment

- Rem Com
- Club Rugby Board/ Professional Rugby Board

Suggested Membership (11):

Independent Chairperson	(2 x 3 Year Terms)
President	(2 Year Term)
Vice President	(2 Year Term)
2 x Elected Club Officials (<i>Not from CRB or CLG</i>)	(2 x 3 Year Terms)
3 x Non-Executive Directors (<i>Skills Based</i>)	(2 x 3 Year Terms)
3 x Executive Directors	(CEO, CFO +1 other)

3. Executive Team (ET)

The Executive Team are responsible for the running of day-to-day business, including commercial, legal, finance, HR, Marketing, Facilities, Professional Rugby, Club Rugby and Communications.

The CEO is appointed by Nominations Committee, thereafter all appointments to the Executive are at the discretions of the CEO.

4. Club Rugby Board (CRB)

The CRB will be directly responsible for the strategic vision, mission and development of the Club game in Scotland and the allocation of resources to the Clubs.

Suggested Responsibilities:

- Budget formulation and implementation
- Competition Regulations and Structures
- Disciplinary Panel membership
- Championship/competitions
- Season Structure
- Club Support programmes/MoS etc.
- Club name/status changes
- Training and Education programmes
- Strategy (Community Game) for SRUL sign off
- Match Officials – and Competitions Dept
- Regulatory Matters (Community game)

Suggested Membership of the CRB (8):

Vice President (Chair)
 South Area Rugby Board Chairperson
 East Area Rugby Board Chairperson
 West Area Rugby Board Chairperson
 Midlands Rugby Board Chairperson
 North Rugby Board Chairperson
 Director of Rugby Development
 CFO / Finance Director

Each Representative on the CRB is the Chair of their **Area Rugby Board (ARB)**, of which there are five.

The suggested ARB composition is as follows:

ARB (12)

Area Board Chairperson (CRB Member)
 Premier Clubs Representative
 National Clubs Representative

Regional Clubs Representative
Women's Clubs Representative
Associate Clubs Representative
Education & Youth Representative (*encompasses Youth, Schools, Colleges, University Rugby*)
Match Officials Representative
Players and Coaches Representative
Championship Committee Representative
Regional Rugby Director
Regional Manager

It is suggested that each ARB meets every 2 months, e.g. 6 meetings per year. Each ARB would have the responsibility to keep the CRB abreast of their discussions and would provide the CRB with quarterly reports. It is intended that the ARBs would offer local solutions for local issues.

In the current proposal, on three occasions per year the various group representatives (e.g. all the Premier Representatives or all the Match Official Representatives etc) would be required to meet from across the areas to discuss and plan for the forthcoming season within their specific remit.

It is envisaged that once per year there would be a "Club day" at BT Murrayfield (or other suitable location) where the CRB and ARB reflect on activities over the previous year and discuss the strategy going forward.

The benefit of having ARBs is that those with the support of the whole area will be a representative on the CRB, which will allow the CRB to be more strategic, visionary and focused on budget whilst retaining the representation of each ARB. It is up to that "region" to elect the best candidate.

The Appointment of the ARB Chairperson will be for a maximum of three 2-year terms (no more than 6 years can be served in any 12-year period).

The appointment of the other representatives to the ARB is for a maximum of two 3 years terms.

Please note: currently the East region covered both Edinburgh and the Borders. In this proposal, East and South are separate regions.

5. The Professional Rugby Board (PRB)

The Professional Rugby Board is charged with overseeing all performance elements of rugby across Scottish Rugby, including Men and Women National sides, Edinburgh Rugby and Glasgow Warriors.

The PRB would have KPIs to adhere to. The SRUL Board would monitor the PRB performance against the KPIs.

Suggested Responsibilities:

- High Performance departments
- Edinburgh Rugby
- Glasgow Warriors
- United Rugby Championship, British and Irish Lions, Six Nations Operations
- Super 6
- Old Glory liaison
- International Teams and Tournaments
- Regulatory matters (Pro)

Suggested Membership PRB:

CEO
CFO
Director of Performance Rugby

Technical Director

Potential additional members (at discretion of CEO):

National Team Head Coach, Women's Team Head Coach, Head of Women & Girls.

CONSULTATION

The Standing Committee on Governance will shortly commence a period of consultation with you.

We want to know your comments, suggestions and feedback on the governance model that we are suggesting.

After this initial period of consultation, we will consider your feedback and report back to you. A final stage of consultation will then be conducted before hopefully calling an SGM in the latter stages of 2021.

You will see from our proposal that some radical changes are being suggested by the Standing Committee. The Committee has embraced an attitude of "starting from a blank sheet of paper" to adapt and modernise the governance structures of Scottish Rugby Union.