



Heriot's Rugby Club Response to Initial Consultation of the Standing Committee on Governance (SCOG).

As the Board of Heriot's Rugby Club (HRC) we wish to record our appreciation of the deliberation and careful consideration outlined by SCOG in the consultation document. Whilst we put forward counter proposals in this document, we acknowledge that there is considerably more detailed work to be done to ensure that our sport adopts a highly effective and efficient Governance structure.

We agree with the proposal to remove the Council, adopt a New Co with attendant Board and unwind the Scottish Rugby Trust. That said the key to the success of the New Co Board will be the quality of the people appointed to that Board. The process of appointment, in our opinion, must be set out in detail before any proposed structure of governance is accepted.

Individual club objectives are at the heart of governance issues. We contend that these are not the same for every club. Further that these objectives may fall into two broad categories both equally important to the fabric and the continuing progress of our sport. The first category of club is those that primarily seek to be a community hub attracting players to the sport but also wider community involvement in the broader benefits arising from participation within the sport – **Community Clubs**. The second category are those clubs that aspire to progress to the topflight of Scottish rugby – **Pathway Clubs**. We consider it important that clubs falling into either category are identified and their needs assessed accordingly. They are different.

As an example, **Community Clubs** might view the need to enhance facilities such as to attract more members of the local community within their fold as key priorities whereas **Pathway Clubs** may be more pre-occupied with gaining access to soft loans and grants to enable say, the installation of 5G pitches to maximise training and playing opportunities.

The success of our sport is utterly dependent upon the development and upward mobility of players who wish to play at the top level. Both categories of club have key roles to facilitate the same. It also follows that community hub clubs may develop into pathway clubs and vice versa as circumstances change.

We set out overleaf more detailed comments on the SCOG proposals. Later on page 4 we answer the questions posed by SCOG.



SCOG proposal	HRC Response
<p data-bbox="203 512 835 539">New Co Board & Scottish Rugby Union Limited Board</p> <p data-bbox="203 582 712 609">New Co Board Suggested Membership: (7)</p> <p data-bbox="203 620 515 791"> President Immediate Past President 2 x Elected from Clubs 2 x Appointments from Nominations Independent Chairperson </p> <p data-bbox="203 834 696 861">SRUL Board Suggested Membership (11):</p> <p data-bbox="203 873 696 1078"> Independent Chairperson President Vice President 2 x Elected Club Officials 3 x Non-Executive Directors (Skills Based) 3 x Executive Directors </p>	<p data-bbox="1142 512 1910 576">Responsibilities for both the SCOG proposed Boards are agreed However, it only needs to be one Board!</p> <p data-bbox="1142 584 1977 719">One Board will streamline decision making and will be able to directly control and monitor the activities of the Executive Team ET. Of course, communication lines will be simplified and arguably more effective if there is one Board</p> <p data-bbox="1142 727 2002 791">We agree with the concept of Area Boards. We view these as being the key components in driving the game forward.</p> <p data-bbox="1142 799 2033 863">The Area Boards (ARB) must be led by highly competent individuals – Area Directors who must undergo a rigorous selection process.</p> <p data-bbox="1142 871 2033 1007">The Area Director should be nominated by the ARB but must meet a person specification that might include proven business success, excellent communication skills and good rugby club administration knowledge albeit the weighting must be on the first two skills.</p> <p data-bbox="1142 1015 1977 1110">Nominations and subsequent selection of eligible candidates must be considered by the New Co Board with reference to psychometric test results.</p> <p data-bbox="1142 1118 1809 1150">These Area Director positions should be remunerated.</p> <p data-bbox="1142 1158 2022 1294">Given that there is no longer a Council is there a need for a President and a Vice President? Should the Chairman take over the President's role? Should the term of the Chairman not be longer to allow for implementation of ongoing strategy?</p> <p data-bbox="1142 1302 2002 1366">Area Directors might have a three-year term and they could possibly be candidates for the Chairman's position.</p>



SCOG proposal	HRC Response
	<p>We consider that the New Co Board needs to be heavier weighted with diverse skills and certainly requires executive input. It will be dysfunctional if executive roles notably the CEO were not a member.</p> <p>HRC proposed New Co Board Membership (12)</p> <p>Independent Chair 5 Area Directors CEO Finance Director Performance Director Director of Rugby Development Independent Director (drawn from outside Scottish Rugby) Independent Director (drawn from outside Scottish Rugby)</p>
Club Rugby Board CRB	<p>We contend that there is no need for this Board. The New Co Board should be able to monitor and control the Club game through deploying the ET to manage the functionality.</p> <p>The core of the sport has all to do with Clubs and Schools and Referees, so it is only right that the accountability for the sport efficacy lies with the New Co Board.</p>
ARB	<p>Agree the composition albeit the premier and national clubs' representatives might be replaced with a Pathway Clubs representative and the regional clubs with Community Clubs representative</p> <p>The ARBs are key to good operations within the sport, so it is key that good communications and reporting processes are set up. These boards must interact with other areas which will be the responsibility of the remunerated Area Directors</p>



SCOG proposal	HRC Response
Professional Rugby Board (PRB)	We acknowledge that the issues facing leading the professional game are separate from the Club game hence a certain amount of autonomy is required for effectiveness in the area. However, if the PRB reports directly to the New Co Board that should ensure a level of congruity throughout the game.

Ownership

1. In the proposed new structure that SCOG has outlined, the present unincorporated association and Trust is replaced with a 'New Co' (company limited by guarantee). An entity is required to hold the shares in the company, as the Clubs cannot hold the shares themselves. As a solution to this, SCOG has suggested a model in which New Co will be owned by the members and New Co will own the shares in Scottish Rugby Union Limited.

- Does your club/society see value in this concept and proposed change?

If this is the best method of streamlining decision making and effective management and leadership, we agree.

- Would your club/society propose a different approach?

No

Structure

2. As part of the review process, SCOG has considered how to structure the game in Scotland more effectively. SCOG propose the creation of a Club Rugby Board (CRB) and a Professional Rugby Board (PRB) with responsibility for their respective areas of the game.



- Does your club/society support this proposal?

We propose that there is only two Boards in the SRU organisation structure – a New Co Board which deals with all aspects of the game and reporting to that main Board a Sub Board the PRB. However, we consider that the ARBs are key albeit they do not have global responsibility for the overall game.

- If not, what sort of structure would your club/society favour?

See above

Governance

3. In order to give the members more effective representation and greater control within the structure, SCOG has proposed replacing the current Council with New Co and a Club Rugby Board.

Please provide your views on replacing the Council with this proposed model.

Historically there has been a dilution of the Council's influence on the decision-making process within the SRU. We consider that this naturally has come about because of the increasing complexity arising from the professionalism and commercial needs in the game. Hence the effective future of the SRU is dependant upon a highly competent Board and strong Executive Team ET. So yes, the council must be replaced.

Club Game

4. SCOG has suggested that Area Boards are created in the new structure. The proposal envisages that each Area Boards will have representation from each level of rugby.

- Does your club/society agree this is the best way forward?



Yes, we do – there is a danger that these Boards become unwieldy because of the diverse areas of the game that they cover so it may be that there should be tightly defined terms of reference for each Area Board. There also needs to be a mechanism for interaction with the other Area Boards so perhaps quarterly meetings amongst Area Directors

We agree that the Area Boards are a key part of the organisation We propose going further

Would your club/society prefer a more streamlined approach?

See comments above

5. In relation to the Club Rugby Board (CRB) , SCOG has put forward a proposed structure with each 'area' having a representative.

- Does your club/society consider this approach is the right way to progress and, if so, why?

In our opinion there is no need for a Club Rugby Board. The New Co Board should deal with all club rugby matters. We consider that there should be a representative form each Area and that that individual should be a New Co Board Director. Further we consider that these Area Directors should be remunerated and that they must undergo a rigorous selection programme including job specification, person specification and psychometric testing. Such individuals must be leaders with strong business acumen, a good knowledge of the game and excellent communicators.

- If not, please what approach would your club/society favour?

See above.

- What balance of skills does your club/society believe is required on the CRB?

See above.



- How can that balance best be achieved?

See above

General feedback

6. As members, your feedback on the overall proposal by SCOG is welcomed.

- Please provide any other feedback and comments or observations on these proposals.

Please see our comments at the start of this document

- Please submit any other questions or queries which your club/society would wish to raise at this time.

HRC proposed structure is set out overleaf.



HRC proposed Governance structure

