

An explanation of the Governance arrangements for Scottish Rugby

Introduction

In January 2022, I was tasked with producing “A set of proposals and recommendations as to the ways in which governance and operational structures of Scottish Rugby Union and its operating company called Scottish Rugby Union Limited might be revised and improved in the interest of Scottish Rugby as a whole.”

A key issue in forming proposals was the “Governance problem” which had been a long standing issue for the owners of Scottish Rugby (the member clubs). A very well regarded report (the Dunlop Report 2005) described the then problem as -

“Much of the recent unrest amongst Clubs and others, stems from a feeling that they have not been allowed to participate in or have been properly consulted about important decisions. Whether this is true or not it is what is felt”.

In 2022 in my published Governance Review proposals, I concluded - “It is clear to me from all the diligence that I have carried out, that the “Governance problem” remains unresolved and indeed is significantly worse than previously thought. Often in evidence across the stakeholder group the words “mistrust”, “lack of trust” or even “bitterness” were frequently used.

Since 2005 there have been numerous reviews that did not find support from the owners (the member clubs). Almost unanimously following the AGM and SGM of the owners in early Summer and Autumn 2022 the proposals of the “Crerar Review” came into being on 1st November 2022.

What are the new Governance Arrangements ?

A new company called Scottish Rugby Union Limited, a company limited by guarantee, was created and is called Scottish Rugby Union (SRU). SRU has three principal purposes:

- 1) To hold all the assets of Scottish Rugby, now and in perpetuity,
- 2) To exercise effective oversight of the activities of its wholly owned subsidiary trading company called Scottish Rugby Limited (SRL) and
- 3) To report to the Owners (the member clubs) further to the exercise of its oversight activities. In addition the Club Rugby Board, which is responsible for the formulation and implementation of the strategic vision, mission and development of the Club game in Scotland, also reports and is accountable to SRU.

The DNA/CORE PURPOSE OF SRU ?

The Articles of Association of SRU provide at Object 8.1.2 namely -

“ to be the apex of the game of Rugby Union in Scotland, and through the Board, to exercise effective oversight, monitoring and review of the activities of CRB and SRL.”

SCOTTISH RUGBY UNION LIMITED (SRL)

The SRU has delegated the running of the business of Scottish Rugby, including the management of its assets and the administration of Scottish Rugby to SRL.

HOW DOES THE RELATIONSHIP BETWEEN SRU AND SRL WORK ?

While delegating the running of the business of Scottish Rugby to SRL there are some key matters reserved to SRU. It follows that the SRU Board requires to give formal approval for -

- 1 SRL's Annual Budget
- 2 The Annual and /or longer term strategy, and
- 3 The appointment and /or reappointment of the Chair of SRL.

SRU and SRL have entered into a Relationship Management Agreement (RMA). The underpinning principle of the RMA is the recognition that for the professional executive and Board of SRL to succeed, the tacit and active support of their owners is required.

What are the criteria for appointment to be a member of the Board of SRU?

The board has eight members each of whom is called a Custodian reflecting their role as custodians of the brand, assets and wellbeing of Scottish Rugby. The Custodians to properly fulfill this role require effective understanding of the activities and operations of SRL.

There is a skills matrix for all Custodians including the Chair -

- * individuals of standing in Scottish Rugby
- * having the skills relevant to the capacity to have insightful overview and exercise constructive challenge in respect of the operations of SRL.

The Custodians, including the Chair, are unremunerated appointments.

Sunday 15 September 2024

What are the criteria for appointment of the Board of SRL?

SRL is an ordinary commercial company with its purpose being the running of the business of Scottish Rugby. The Chair determines the best equipped individuals to be appointed as Directors to run the business of Scottish Rugby. They are remunerated appointments and a standing in rugby (unlike Custodians) is not required.

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