



BOARD MINUTES

July 2021

Minutes of the 11th meeting of the 2023 Cycling World Championships Limited

Board

Held on Tuesday 06 July 2021 at 0930-1330 via video conference

PRESENT

Paul Bush OBE – The “Chairman”	Rupert Dickinson
Billy Garrett	Susan Ahern
Danielle Every	David Hornby
Steven Elworthy MBE – part meeting	Shanaze Reade
Stewart Harris	Alexandra Innes
Bettina Sizeland (together, the “Directors”)	

IN ATTENDANCE

Trudy Lindblade - CEO	Supt. Gerry Corrigan, Police Scotland
Stuart Turner	Hugh Gillies, Transport Scotland
Lucy Carmichael	Nicola Doig
Ken Neilson	David Berry, DB Consulting (Item 8)
Robbie Clyde	Rob Arbuthnot (Item 9 -11)
Kate Steven (from Item 7, cont.)	Andrew Markham, Inside Edge (Item 9)
Jonathan Rigby (from Item 7, cont.)	Cameron Fraser (Item 9)
Philip Heselwood (from Item 7, cont.)	Ben Barrett, Sustainability Consultant (Item 10)

APOLOGIES

Colin Edgar	Roy Brannen, Transport Scotland
Nick Peel	Peter Van den Abeele, UCI
DCC Kerr, Police Scotland	Kevin MacCuish, UCI
Esther Britten	Rebecca Edser
Julie Pearson	Michelle Lavery

MINUTES

Annika Wolf

1. Welcome, Introductions and Apologies

- 1.1. The Chairman welcomed Directors as well as VisitScotland (VS) Director of Corporate Services Ken Neilson and Supt. Gerry Corrigan (representing Police Scotland), both attending as observers. Apologies noted from Colin Edgar, Nick Peel, DCC Kerr, Esther Britten, Julie Pearson, Roy Brannen, Peter Van den Abeele, Kevin MacCuish, Rebecca Edser and Michelle Lavery.
- 1.2. It was noted that Steven Elworthy may have to leave the meeting early due to an urgent matter.

2. Notice & Quorum

- 2.1. The Chairman noted that due notice of the meeting had been given and that a quorum was present. Accordingly, the Chairman declared the meeting open.

3. Declaration of Interests – No further declarations of interest noted.

4. Chair’s Opening Remarks

- 4.1 The Chairman noted the CEO’s Report was to be presented first on the agenda to contextualise the budget review presentation. Further presentations to be provided on the MarComms Plan, commercial programme, sustainability strategy and the Hub and Spoke Model.



5. Minutes and Actions of Board meeting held on 20 May 2021

- 5.1. The minutes and actions from the 2023 Cycling World Championships Ltd Board meeting held on 20 May 2021 were agreed as a true and accurate record.

6. Matters Arising

- 6.1. The CEO referred to actions 8.5, 8.7 and 16.3 from 20 May 2021 as well as action 8.14 from 13 April 2021, please see Matters Arising from 06 July 2021 for updates. All other outstanding actions were addressed as part of the agenda as relevant.

PRESENTATIONS/ PROPOSAL PAPERS

7. CEO Report

- 7.1. The Board noted the CEO Report circulated (paper 07.1), taken as read.
- 7.2. The CEO advised tables as included on pages two to four are designed to provide a high-level overview for each Directorate going forward. Key observations are noted below.
- 7.3. Commercial is currently rated as amber due to ongoing discussions regarding treatment of Value-in-Kind sponsorship for Non-Departmental Public Bodies. Legal advice is being sought from Gowling WLG. It is expected an outcome can be reached within six weeks.
- 7.4. ACTION: Treatment of VIK to be resolved within 6 weeks.**
- 7.5. People rated as amber due to resource pressures and a slow events recruitment market across the UK. The Financial Controller position offer was accepted and work continues with VS regarding procurement resourcing. It is expected the recruitment market may ease following conclusion of EURO 2020 and COP26.
- 7.6. Amber rated Local Authority and Venue Agreements are being progressed as a priority alongside Hub and Spoke work, meetings at senior management level are taking place over the coming weeks. The CEO thanked the **sportscotland** CEO for their ongoing support. Stewart Harris re-iterated their offer of support in building positive relationships with Local Authorities and Hugh Gillies advised Transport Scotland are happy to support as well. The CEO confirmed positive discussions with Dumfries and Galloway Council to host Road para-cycling continue.
- 7.7. ACTION: An update on conversations with Dumfries & Galloway Council to be provided at the August Board.**
- 7.8. It was advised the British Cycling agreement was progressing with further feedback on the draft received on 05 July.
- 7.9. Prize money was discussed by the Chairman and CEO with the UCI Director General. It was reconfirmed full responsibility for prize money rests with the UCI. The Board discussed whether increased commercial opportunities for an inaugural major international event could be passed on to athletes through prize money. VS Director of Corporate Services noted VAT implications would need to be considered and caution exercised.
- 7.10. ACTION: The Chairman and CEO to follow up prize money discussion at the next meeting with the UCI Director General.**
- 7.11. The Board noted the Pandemic Impacts Framework V6 and accompanying cover paper (papers 07.5 & 07.6). The Major Events Advisor outlined the main changes following review by the Pandemic Impacts Working Group (PIWG). Real-time decisions during the event will be made by a Decision-Making Group as per the normal event C3 structure, it was suggested this group should be set up early and include Board members with relevant experience.
- 7.12. DECISION: The 2023 Cycling World Championships Ltd Board agreed to adopt the Pandemic Impacts Framework V6 (22 June 2021) as the current working model.**
- 7.13. ACTION: The Major Events Advisor to provide an updated Pandemic Impacts Framework at the first Board meeting in 2022 following PIWG review in December 2021.**



7.14. ACTION: The Major Events Advisor to work with the Leadership Team to form the Decision-Making Group to be included in the next iteration of the Pandemic Impacts Framework.

7.15. The Hub and Spoke Model Update was provided after agenda item 8.

8. Budget Review

8.1. David Berry from DB Consulting joined the meeting and presented the approach, summary, guiding principles and key assumptions making up the budget v2. The presentation also included risks, next steps and recommendations (refer to presentation circulated alongside Budget Review Cover Paper 08.1).

8.2. There is currently a high level of confidence that the event under the terms set out in the Long Form Agreement can be delivered within the forecast revenue, this statement being underpinned by several key budget assumptions and the fact a reasonable contingency exists.

8.3. The Board welcomed the thorough and robust budget review process and good presentation.

8.4. The Board noted the increase in business services budget and asked Management to ensure sufficient resource is focussed on areas generating the biggest impact, e.g. sport and marketing.

8.5. The assumptions around Local Authority requested support were discussed, in particular capital costs for road networks as Local Authority budgets are currently stretched due to the pandemic. The CEO confirmed these concerns are already being addressed as an outcome of the Principal Funders meeting.

8.6. ACTION: The CEO and 2023 Cycling Worlds Leadership Team to address potential challenges around capital costs required to upgrade road networks related to assumptions on Local Authority requested support.

8.7. The Board discussed the budget for Strategy and Policy Impacts and whether this would sufficiently allow for policy ambitions to be achieved. Partner support and alignment will be critical, as well as an accordingly tailored MarComms Plan.

8.8. Sport budgets are undergoing a continuous check and challenge process. It was noted British Cycling (Jonathan Day and Jon Pett) can provide support by reviewing budgets. David Berry assured the Board budgets for individual events and Spokes had been benchmarked against other events, a strategic approach has been taken for some budget areas to ensure value for money without setting budgets too high.

8.9. The importance of marketing budget to help generate commercial income and support policy aspirations was raised. It was noted that budget, in particular for marketing, could be leveraged through VS and other partners, the Director of Commercial, Marketing and Communications is to consider further these partnership relationships.

8.10. ACTION: The CEO and 2023 Cycling Worlds Leadership Team to discuss the potential to leverage marketing budget through VisitScotland with VS colleagues.

8.11. The CEO confirmed costs for broadcast production sit with the UCI, 2023 Cycling Worlds are providing operational interface and associated costs.

8.12. Capital expenditure is currently included in contingency while discussions are underway with Scottish Government regarding capital works at Glentress through Forestry and Land Scotland.

8.13. ACTION: Confirm how residual VAT risk is captured within budget review.

8.14. ACTION: Risk probability scoring and value to be added to the specific risks schedule and timeframe added to next steps.

8.15. ACTION: Confirm client services levels and concept of operations to provide further budget clarity.

8.16. DECISION: The 2023 Cycling World Championships Ltd Board approved the budget v2 as presented by David Berry, taking into consideration the meeting's discussion.



- 8.17. **DECISION:** The 2023 Cycling World Championships Ltd Board approved next steps and plans for future budget reviews as per the Budget Review Phase 2 presentation, subject to updates being made as per the meeting's discussions.
- 8.18. **DECISION:** The 2023 Cycling World Championships Ltd Board endorsed the budget v2 be shared with the VisitScotland Board for final approval.
- 8.19. The Chairman thanked David Berry and the 2023 Cycling Worlds team for their work, as well as the Head of EventScotland for his support in creating the original bid budget. The budget v2 will now be submitted to the VS July 2021 Board meeting for final approval.

A short break was taken following the budget presentation.

7. CEO Report, continued - Hub and Spoke Model Update

- 7.16. The Board noted the Hub & Spoke Model Update (paper 07.4), the Director of Sport provided a brief presentation to further update on progress, proposed Spoke engagement via Design, Build and Operate Services contracts, timelines, current challenges and next steps.
- 7.17. **ACTION: The Director of Sport to follow up by email with Board members to progress establishing a review group with Board representation to test and challenge the proposed Hub and Spoke model.**
- 7.18. It was advised the Glasgow Principle (encompassing indoor venues) envisages a Negotiated Procedures process following agreement in principle to award contracts to Glasgow. This would be based on a business case to initially demonstrate competency to deliver and best value.

9. Commercial Programme

- 9.1. The Board noted the Commercial Programme Update circulated (paper 10.1), Andrew Markham (Inside Edge) joined the meeting and presented an update on sales pack distribution and sales reporting across qualified prospects.
- 9.2. Good engagement can already be seen following sales pack distribution phase 1, status is as expected and asks deemed fair. Conversion timeline is usually between six and nine months.
- 9.3. It was confirmed that prospecting is aligned with 2023 Cycling Worlds strategic and policy ambitions and includes opportunities for Scottish companies. A tailored approach is applied to prioritise and rate prospects. It is expected that securing a leading UK or Scotland based brand would have a catalyst effect to drive conversations with other potential sponsors.
- 9.4. **ACTION: The Director of Commercial, Marketing and Communications is to progress as a matter of urgency, creation of a template Partnership Agreement.**
- 9.5. **ACTION: The Director of Commercial, Marketing and Communications is to provide an update on Commercial Programme at the August Board meeting.**

10. Strategy & Policy Impacts Update

- 10.1. The Board noted the Strategy and Policy Impacts Update and Sustainability Strategy Cover Paper circulated (papers 11.1 and 11.2), taken as read.
- 10.2. Sustainability Consultant Ben Barrett joined the meeting and presented a Sustainability Strategy Overview, including the strategy vision across the three pillars of People, Place and Planet; mapping and performance measurement against UN Sustainable Development Goals; implementation of a sustainability management system (ISO20121). Refer presentation to be distributed following the meeting.
- 10.3. The Board noted the presentation as positive and agreed 2023 Cycling Worlds needs to take ownership to drive the sustainability strategy with the aim to meet agreed targets. Setting out clear expectations and responsibilities across Spokes and partners early on will be important.
- 10.4. Clear ambitions and targets need to be established before carbon offset costs can be determined, there may be options to manage potential budget implications with partner support, e.g. through commercial or academic partnerships.



- 10.5. **DECISION:** The 2023 Cycling World Championships Ltd Board approved the recommendation for 2023 Cycling World Championships to formally sign up to the UN Sport for Climate Action Framework.
- 10.6. **ACTION:** The Director of Strategy and Policy Impacts is to progress signing up to the UN Sport for Climate Action Framework.
- 10.7. The Chairman thanked Ben Barrett for his work and presentation.

11. MarComms Plan

- 11.1. The Board noted the Marketing & Communications (MarComms) Plan and accompanying cover paper circulated (paper 09.1), taken as read.
- 11.2. The Director of Commercial, Marketing and Communications provided a brief overview of the MarComms Plan. The plan will be front-loaded, and PR and digital content-led. Owned and earned media will be prioritised and ambassadors and influencers engaged to break into non-core cycling audiences. Galvanising partner support will be key to creating impact.
- 11.3. **ACTION:** The Director of Commercial, Marketing and Communications is to set up a one-hour Board deep-dive session to review the MarComms Plan in mid-July.
- 11.4. **ACTION:** Director of Commercial, Marketing and Communications to consider potential crossover between campaign themes 'Children & Young People' and 'Women & Girls'.
- 11.5. **DECISION:** The 2023 Cycling World Championships Ltd Board approved the direction of travel and broad principles of the MarComms Plan as set out in the presentation circulated, subject to equality and diversity being sufficiently addressed. The establishment of a Commercial, Marketing and Comms Group to provide strategic oversight was also approved with David Hornby to Chair.

REPORTS

12. **Chair Report** - The Chairman noted no further updates.
13. **Subgroup Minutes** – papers 13.1 and 13.2 noted as circulated.
- 13.1. The Director of Commercial, Marketing and Communications noted good engagement with the UCI via the Joint Partnership Committee and noted the JPC is currently mainly focussed on decision making.
- 13.2. **ACTION:** The Director of Commercial, Marketing and Communications is to consider establishing a 2023 Cycling Worlds commercial strategic group including Board member representation to focus on commercial idea generation across all revenue streams.
- 13.3. The Board discussed the proposal submitted to the JPC to procure a sponsorship valuation agency to provide independent media rights valuation and queried its necessity at this point of the process.
- 13.4. **ACTION:** The Director of Commercial, Marketing and Communications to further discuss the need to procure a sponsorship valuation agency.
- 13.5. **ACTION:** The Chair requested Inside Edge attendance at JPC meetings be reviewed.
14. **Advisory Group Minutes** noted as circulated with no comments (papers 14.1 – 14.4).

FINANCIAL & GOVERNANCE MATTERS

15. Governance

- 15.1. Board members will find the current version of the Governance Manual on the Board SharePoint site.

16. Finance Update

- 16.1. The Board noted the Finance Update and VAT advice outcome paper circulated (papers 16.1 and 16.3).



16.2. The VS Director of Corporate Services advised the 2023 Cycling Worlds annual report is being produced as part of the VS accounts. Following the budget review phase 2, budget will be loaded into Oracle by the end of July with the recommended reporting structure to be implemented.

16.3. ACTION: The CEO to clarify the July 2021 salary figure as per the cashflow.

16.4. **DECISION:** The 2023 Cycling World Championships Ltd Board agreed that, as per the advice received from haysmacintyre, 2023 Cycling World Championships Ltd meets the requirements for being a fully VAT recoverable entity as it not deemed to be making any exempt supplies and is not carrying out non business activities. It was also agreed actions 1 and 2 outlined in paper 16.3 2023 Cycling World Championships Board Paper VAT be carried out.

16.5. ACTION: The Major Events Advisor is to progress the drawing up and passing of a formal company resolution to state that the company is not precluded from distributing profits.

16.6. ACTION: The CEO is to ensure any agreement between VisitScotland and 2023 Cycling World Championship Ltd be clear that entry fees are not being charged by 2023 Cycling World Championships Ltd at their own behest but are required by third parties.

17. Audit and Risk

17.1. The Chair of the 2023 Cycling Worlds Audit and Risk Committee (ARC) noted no further updates, a detailed update will be provided at the August 2021 Board following the next ARC meeting.

18. Terms of Reference – No updates noted.

19. Policies

19.1. The Board noted the VS COVID-19 Vaccination and Testing Policy (paper 19.1) and the VS Maternity Policy with COVID-19 Update (paper 19.2).

19.2. ACTION: The CEO is to confirm to the Board that a separate VS Paternity Leave policy is in place and that this and/or the Maternity Policy cover shared parental leave.

AOB

The Chairman thanked the Board for their due diligence on the budget review and the CEO and 2023 Cycling Worlds team for their work.

An in-person format for the August Board meeting is being investigated, subject to COVID-19 restrictions with further information to be provided.

Details of next meetings

- Thurs 26 August 2021
- Thurs 18 November 2021
- Strategic planning date tbc

20. Close of meeting - There being no further business, the Chairman declared the meeting closed.

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The Chairman