



BOARD MINUTES

August 2021

Minutes of the 12th meeting of the 2023 Cycling World Championships Limited

Board

Held on Thursday 26 August 2021 at 0900-1330 via video conference

PRESENT

Paul Bush OBE – The “Chairman”
 Billy Garrett
 Danielle Every
 Steven Elworthy MBE
 Colin Edgar
 (together, the “Directors”)

Nick Peel
 Susan Ahern
 David Hornby
 Bettina Sizeland – part meeting
 Alexandra Innes

IN ATTENDANCE

Trudy Lindblade - CEO
 Stuart Turner
 Lucy Carmichael
 Esther Britten
 Julie Pearson
 Kevin MacCuish, UCI
 Jonathan Rigby
 Philip Heselwood
 Craig Burn
 Paul Stark

Supt. James Jones, Police Scotland
 Hugh Gillies, Transport Scotland
 Nicola Doig
 Rebecca Edser
 Jon Naspe, Inside Edge (Item 2)
 Cameron Fraser (Item 2)
 Duncan Fraser, Howden Group (Item 3)
 James Burrows, Howden Group (Item 3)
 Ben Barrett, Sustainability Consultant (Item 4)
 Michelle Lavery (Item 12 - 14)
 Paul Cole (Item 12 and 14)

APOLOGIES

Rupert Dickinson
 Shanaze Reade
 DCC Kerr, Police Scotland
 Stewart Harris

Roy Brannen, Transport Scotland
 Peter Van den Abeele, UCI
 Robbie Clyde
 Kate Steven

MINUTES

Annika Wolf

PART I – STRATEGY DISCUSSION

1. Welcome, Introductions and Apologies

- 1.1. The Chairman welcomed Directors, attendees and observers. Apologies noted from Rupert Dickinson, Shanaze Reade, Stewart Harris, DCC Kerr, Roy Brannen, Peter Van den Abeele, Robbie Clyde and Kate Steven.
- 1.2. It was noted Bettina Sizeland may have to leave the meeting between 10am and 11am due to an urgent matter.
- 1.3. The Chairman thanked the Board for accommodating the change from hybrid to virtual meeting and noted three presentations were to be given on Commercial Programme, proposed Insurance Programme and Strategy, Policy and Sustainability.

2. Commercial Programme

- 2.1. The Board noted the Commercial Programme Cover Paper (paper 2.1) and Inside Edge Sponsorship Sales Report, taken as read. Jon Naspe (Inside Edge) and Cameron Fraser, Senior Commercial Manager, joined the meeting.



- 2.2. The Director of Commercial, Marketing and Communications (Director CMC) outlined the Commercial Strategy which encompasses sponsorship, ticketing, hospitality, merchandise and other revenue streams.
- 2.3. Gowling WLG provided advice regarding treatment of Value-in-Kind sponsorship for Non-Departmental Public Bodies which Susan Ahern has been asked to review in her role as Acting Chair of Audit & Risk Committee (ARC). The Board and CEO agreed a risk-based decision for a resolution will need to be taken as soon as possible to avoid an impact on sponsorship opportunities.
- 2.4. **ACTION: A meeting to be convened with the Chairman, Alexandra Innes, Susan Ahern, Nick Peel, David Hornby, the CEO, Director CMC and VisitScotland Director of Corporate Services to discuss advice received on treatment of VIK, aiming to recommend a resolution to the Board for decision via email within two weeks.**
- 2.5. Inside Edge advised positive feedback has been received from the market with the purpose-led themes resonating well. Positive progress is expected in line with company's returning to offices following summer holidays and budget planning in Q4 2021.
- 2.6. The Board welcomed the focus on developing opportunities for activation and advised clear targeted sustainability goals would help align 2023 Cycling World Championships (2023 Cycling Worlds) with big brands. It was recommended to ensure that sponsorship directly benefits the event rather than policy-focused activation only.
- 2.7. The Director CMC advised global reach via broadcast is being progressed with the UCI.
- 2.8. Board members were invited to provide feedback and contact suggestions to the Director CMC.
- 2.9. **ACTION: The Director CMC and Inside Edge to include clear RAG-rated tracking mechanism into monthly sponsorship reports to visualise progress, to be circulated to the Board on a monthly basis and included in future Board updates.**
- 2.10. With regards to ticketing and accessibility, it was advised consideration should be given to lower priced tickets as an alternative to free tickets, also to present an attractive offer to potential ticketing providers.
- 2.11. It was advised thought should be given to hospitality opportunities outwith food and beverage, e.g. tiered premium 2023 Cycling Worlds experiences.
- 2.12. **ACTION: The Director CMC to provide an update on hospitality vision, potential experience packages and George Square activation at the November 2021 Board meeting.**
- 2.13. Procurement of a merchandise partner is a priority however the Board cautioned that effort should be proportionate to potential revenue. Early availability of merchandise, especially if innovative and aligned with policy, was noted as positive to build awareness with cycling audiences.
- 2.14. Food and beverage as a revenue stream is being considered on a case by case basis with Spokes, it was advised revenue should be proportionate with effort.
- 2.15. **ACTION: The Director CMC to investigate active travel experience packages with VisitScotland (VS) while ensuring enough accommodation stock is retained for athletes.**
- 2.16. The Board noted to be comfortable with the direction of travel for the Commercial Programme and were keen to see sponsorship conversion.
- 2.17. **DECISION: The Board supported the JPC decision to postpone the first review point with Inside Edge from October to mid-December 2021.**

3. Insurance Programme

- 3.1. The Board noted the Proposed Insurance Programme paper (paper 3.1), taken as read.
- 3.2. Duncan Fraser and James Burrows (Howden Group) joined the meeting to present progress to date, key findings and a proposed insurance programme design based on risk profiling, contractual obligations and current insurance arrangements via VS. Immediate priorities requiring attention have been identified as well as a premium estimate summary and next steps with the aim to move to Phase 2 (i.e. development of specification for inclusion in partner agreements and contracts and to procure the insurance cover).
- 3.3. The Board discussed event cancellation policy requirements will depend on agreement of treatment of public funding in the event of cancellation or postponement, it will be important to



review the budget in detail with regards to exposed items. The current challenging market for event cancellation insurance needs to be considered. National mourning insurance should be addressed in this context as well.

- 3.4. Transfer of risk to third parties via Hub and Spoke model was discussed, a rigorous process for checks and monitoring of insurances held by delivery partners will be crucial. The CEO advised this will be part of the Sport Contract Managers' roles and milestone reporting.
- 3.5. The timeline to address immediate priorities and arrive at a detailed proposal will be determined for the next ARC meeting. Howden Group were confident urgent items can be addressed within the next two weeks, some items like cyber liability, property damage or travel require review of further information.
- 3.6. The Board noted that the proposed limits are based on conservative estimates and in some instances appeared high, and as such require further review.
- 3.7. **ACTION: The Head of Governance and Business Services to seek further clarification on requirement for Medical Malpractice Insurance as per the Long Form Agreement with the UCI.**
- 3.8. **ACTION: The Head of Governance and Business Services to submit an update report on progress and timeline for insurance programme to the September 2021 ARC meeting. A final proposal to be provided at November 2021 Board meeting.**
- 3.9. **DECISION: The 2023 Cycling World Championships Ltd Board agreed the direction of travel and next steps as outlined in the proposed Insurance Programme presentation by Howden Group, subject to further review and investigation as per the meeting's discussion.**

4. Strategy & Policy Impacts Update

- 4.1. The Board noted paper 4.1 Strategy and Policy Impacts Update, taken as read. The Director of Strategy and Policy Impacts (Director SPI) was joined by Ben Barrett to present on 2023 Cycling Worlds' Strategy, the One Plan for Cycling and Sustainability.
- 4.2. **ACTION: The Director SPI to circulate the Strategy and Policy Presentation with feedback from Board members to be submitted by 10 September 2021.**
- 4.3. The presentation outlining clear ambitions was welcomed by the Board. While ambition and innovation will be important to reach new, and in particular younger audiences, it also needs to be ensured that expectations are managed in line with resource in place. Partnerships and the One Scotland approach will be crucial as well as consistent consumer messaging and clear terminology. Steven Elworthy offered to make introductions to 'The Hundred' delivery team to discuss their approach to attracting new audiences.
- 4.4. **ACTION: The Director SPI to follow up with Transport Scotland colleagues regarding 2023 Cycling Worlds' organisational strategy.**
- 4.5. Bettina Sizeland from Scottish Government re-joined the meeting at this point.
- 4.6. The One Plan for Cycling and the proposed Community Cycling Festival will be powerful tools to unify the cycling landscape and community, concrete plans for activation alongside policy will be important. Global engagement data should be considered alongside physical attendance, working with a data partner was suggested.
- 4.7. The Board was keen to agree and communicate a clear sustainability ambition statement as soon as possible. The opportunity to announce the One Plan for Cycling at COP26 should not be missed.
- 4.8. **ACTION: The Director SPI to further discuss with Scottish Government colleagues the opportunity to announce the One Plan for Cycling at COP26 and report back to the Board preferably by end September 2021.**
- 4.9. The Director SPI thanked Alexandra Innes and Ben Barrett for their input into the draft Sustainability Policy. Ben Barrett presented an update on Sustainability, outlining priorities and a collaborative approach to achieve outcomes and alignment with the UN Sports for Climate Action Framework and UN Sustainable Development Goals.
- 4.10. It was recommended to take a cautious approach to making a statement on carbon neutrality or positivity as no benchmark exists. While meeting sustainability objectives will be key, the successful delivery of the event should also be a priority.



- 4.11. The Board discussed appetite to make a bold statement around carbon neutrality or positivity as soon as possible as it would support commercial opportunities and inform contractual obligations through the Hub and Spoke model. To meet the ambitious scope for sustainability sufficient resource would need to be put in place or the ambitions refined.
- 4.12. The CEO reiterated resource to deliver sustainability ambitions remains a challenge. As a next step a pragmatic plan needs to be put in place and carefully timed to ensure enough information is available to support making sustainability commitments.
- 4.13. **ACTION: The Director CMC and Director SPI to discuss with Inside Edge how additional resource could be generated through innovative commercial opportunities, to potentially ringfence funds to support sustainability objectives.**
- 4.14. **ACTION: The Director SPI to create a plan outlining resource requirement to deliver sustainability ambitions.**

PART II - REPORTS

5. Welcome, Introductions and Apologies

6. Notice & Quorum

- 6.1. 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.

7. Declaration of Interests

- 7.1. Susan Ahern and Alexandra Innes noted new declarations of interest in advance of the meeting, these will be updated with Companies House.
- 7.2. The Chairman advised decisions relating to the Glasgow Principle within the Hub and Spoke model will be made without Glasgow Life and Glasgow City Council representatives present due to conflict of interest, the Board was in agreement with this.

8. Chair's Opening Remarks – The Chairman noted no further remarks.

9. Minutes and Actions of Board meeting held on 6 July 2021

- 9.1. The minutes and actions from the 2023 Cycling World Championships Ltd Board meeting held on 6 July 2021 were agreed as a true and accurate record.

10. Matters Arising

- 10.1. The CEO referred to action 8.6 from 6 July 2021, action 8.7 from 20 May 2021 and action 11.8 from 13 April 2021, please see Matters Arising from 26 August 2021 for updates. All other outstanding actions were addressed as part of the agenda as relevant.

11. Chair Report – The Chairman noted no further updates.

12. CEO Report

- 12.1. The Board noted the CEO Report circulated (paper 12.1), taken as read.
- 12.2. Sport remains rated as amber due to ongoing work on Hub and Spoke model, however it has gained momentum in recent weeks.
- 12.3. Commercial rated as amber due to ongoing work on treatment of VIK, a clear plan to resolve is now in place.
- 12.4. Recruitment challenges in the Sport Team and VS Services Agreement roles continues to hold People at amber. Sport resource is being discussed w/c 30 August 2021 and procurement roles at offer to candidate stage.
- 12.5. The Local Authorities Update (paper 12.2) was taken as read, the CEO advised good progress is being made. Meetings between the Chairman, CEO and Local Authority CEOs are scheduled for critical Local Authorities to progress conversations. The U23 Men's Race start location of Largs will not be progressed; no issues anticipated. A positive initial reaction from the National



Park Authority was received regarding proposed start location Loch Lomond for both the Under23 Men and Elite Women's Races. A decision from Dumfries & Galloway Council regarding the hosting of road para-cycling is expected prior to the end of August 2021.

- 12.6. The Digital Report (paper 12.3) was taken as read. The Director CMC reported the 2 Years To Go activity on 16 August was a success with engagement across broadcast, print, radio and digital surpassing expectations. Future key milestones are the UCI Road World Championships in Flanders and COP26 which will be important to drive global reach and athlete and national federation engagement.
- 12.7. Papers 12.4 Hub and Spoke Model Update and 14.2 Application to Tender for Spokes were discussed jointly and taken as read. The Director of Sport advised the MTB Downhill proof of concept, procurement and contracting model have progressed well and an open procurement model has been agreed. The Major Events Advisor provided an update on the Glasgow Principle, legal advice has been received to help design the process to award contracts to Glasgow. A business case is in development by Glasgow City Council and Glasgow Life to demonstrate competency to deliver and best value, this will be sent to Board members to allow for a recommendation to the VS Board to be made, requesting their approval.
- 12.8. ACTION: The Major Events Advisor to provide the Glasgow Principle business case and associated legal advice to the Board, a single item Board meeting is to be scheduled for w/c 6 September to approve and make a recommendation to the VS Board.**
- 12.9. **DECISION: The 2023 Cycling World Championships Ltd Board agreed to progress the Glasgow Principle as per the process and timeline outlined in paper 12.4. The paper is subject to final agreement by the Board in due course and will be submitted to the VS Board for approval on 16 September 2021.**
- 12.10. The Senior Project Manager presented paper 14.2 Application to Tender for Spokes. The Spoke contracting model was clarified. The Board was reassured that risk will be managed through clear tender evaluation criteria focusing on bidders' experience in discipline delivery and Heads of Terms signed between the Hub and venues outlining mandatory elements to be finalised in Venue Use Agreements between Spokes and venues, as well as robust contract and budget management and monitoring arrangements between Hub and Spokes.
- 12.11. **DECISION: The 2023 Cycling World Championships Ltd Board approved the procurement of six Competition Spoke contractors as outlined in paper 14.2. It was further approved the Application to Tender for Spokes should be submitted to the VS Board for approval on 16 September 2021.**
- 12.12. The Board welcomed paper 12.5 Appointment of an Official Charity and requested global and local positioning should be balanced considering 2023 Cycling Worlds is an international event.
- 12.13. ACTION: The Head of Governance and Business Services to provide an update on appointment of an official charity at the November 2021 Board meeting.**
- 12.14. **DECISION: The 2023 Cycling World Championships Ltd Board agreed engagement with the charity sector should be progressed with a view to appointing an Official Charity (or charities) as per paper 12.5.**

13. Governance Update

- 13.1. The Board noted paper 13.1 Articles of Association and Co-opted Board Member.
- 13.2. The UK Sport Head of Major Events advised the proposed amendment would be in contradiction to the Code for Sports Governance which forms part of the funding agreement between UK Sport and 2023 Cycling World Championships Ltd. An exception could be discussed.
- 13.3. ACTION: The UK Sport Head of Major Events, Major Events Advisor and Head of Governance and Business Services to discuss and exception to the Code for Sports Governance which would permit the amendment of the Articles of Association to allow re-appointment of Co-opted Board members.**



13.4. **DECISION:** The 2023 Cycling World Championships Ltd Board approved the submission of the special resolution relating to the adoption of the revised Articles of Association to the VS Board, subject to discussion of the alignment with Code for Sports Governance. The Board further agreed that, should the VS Board approve the resolution on 16 September 2021, Shanaze Reade would be re-appointed as a Co-opted Director for a further twelve months.

14. Finance Update

14.1. The Board noted the Finance Update and Cashflow (paper 14.1), taken as read. The VS Head of Corporate Governance and Performance noted budget is now operational on Oracle, any feedback on financial reporting should be raised with Anne-Marie Greer, VS Head of Financial Services. It was advised the format of financial reporting will be discussed at the next ARC meeting and brought back to the Board.

14.2. The Board noted the draft narrative for VS and 2023 Cycling Worlds 2020-21 Annual Report and Accounts (paper 14.3). The Board raised concern over the anticipated late filing of accounts, it was advised this was due to dependence on the filing of the VS Group account which is delayed due to other COVID-19 related priorities.

14.3. **ACTION: The CEO and Chairman to raise the Board's concern as a matter of urgency over the late filing of annual accounts for 2020-21 with VS ARC who have a meeting scheduled for 2 September 2021. The Board to be kept apprised.**

14.4. The Board noted paper 14.4 Company VAT Position, taken as read.

14.5. **DECISION:** The 2023 Cycling World Championships Ltd Board passed the resolution that it is not precluded from distributing profits in terms of its Articles of Association. Further, in terms of Article 3.2 2023 Cycling Worlds is obliged to distribute any surplus, only on winding up, to its Funding Partners. The Board further agreed that Action 2 has been addressed satisfactorily as per paper 14.4.

15. Audit and Risk

15.1. The Head of Governance and Business Services advised the draft internal audit plan has been received and will be reviewed against two proposed Scottish Government gateway reviews in February/March 2022 and February/March 2023 to ensure audits and related workloads are balanced. Details are to be confirmed, it was advised the gateway reviews could take the format of a health check focussing on key areas such as policy, finance and the Hub and Spoke Model.

15.2. **ACTION: The Head of Governance and Business Services to provide an overview of the audit life cycle up to March 2024 at the November 2021 Board, internal audit plan and gateway reviews to be discussed further by ARC.**

16. Terms of Reference

16.1. The Board noted the Contracts Approvals Group Terms of Reference circulated (paper 16.1), taken as read. Group membership will be discussed with the Chairman and Chair of the ARC.

16.2. **DECISION:** The 2023 Cycling World Championships Ltd Board approved the proposed Terms of Reference for the Contracts Approvals Group as per paper 16.1, to be submitted to the VS Board for ratification at the 16 September 2021 meeting.

17. Advisory Group Minutes

17.1. The Board noted the Policy Advisory Group minutes from 24 June 2021 (paper 17.1), taken as read with no comments.

18. AOB

18.1. The Chairman thanked the Board, the CEO and 2023 Cycling Worlds team for their work.

18.2. An additional Board meeting in October may be considered, further information to be provided.



Details of next meetings

- Thursday 18 November 2021, Edinburgh (face-to-face)
- Strategic planning date tbc

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

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The Chair