

BOARD MINUTES

March 2022

Company Number: SC656048

2023 Cycling World Championships Limited (the "Company")



Minutes of the 17th meeting of the Company held on Wednesday 9 March 2022 at

09:00-13:00 Hilton Hotel Dunblane Hydro, Perth Rd, Dunblane FK15 0HG

PRESENT

Paul Bush OBE – The "Chair"
Billy Garrett (left 13.15 and re-joined 13.40)
Danielle Every
Colin Edgar
Stewart Harris
(together, the "Directors")

Nick Peel
Susan Ahern
David Hornby (from 10:00)
Alexandra Innes
Rachael McKechnie (following Item 2.1)

IN ATTENDANCE

Trudy Lindblade, CEO
Stuart Turner, Major Events Advisor
Phil Heselwood, Director of Sport
Paul Stark, Head of Governance and Business Services
Rob Arbuthnot, Head of Marketing and Communications

Paul Cole, Senior Project Manager
Jonathan Rigby, Director of Commercial, Marketing and Communications
Colin Young, Financial Controller
Kate Steven, Director of Operations
Cameron Fraser, Senior Commercial Manager

OBSERVERS

Kevin MacCuish, UCI
Esther Britten, UK Sport
Robbie Clyde, EventScotland
Rachael McKechnie, Scottish Government
(until Item 2.1)

Bettina Sizeland, Transport Scotland
Supt. James Royan, Police Scotland
Lucy Carmichael, Scottish Government
Julie Pearson, Glasgow Life

APOLOGIES

Rupert Dickinson
Shanaze Reade
DCC Kerr, Police Scotland
Hugh Gillies, Transport Scotland

Rebecca Edser, UK Sport
Stewart Leggett, Transport Scotland
Steven Elworthy MBE
Peter van den Abeele, UCI

MINUTES

Paul Stark, Head of Governance and Business Services

Paul Cole, Senior Project Manager

1. Welcome and Apologies

- 1.1. The Chair welcomed Directors, attendees and observers. Apologies noted from Rupert Dickinson, Hugh Gillies, Shanaze Reade, Rebecca Edser, Stewart Leggett, Steven Elworthy MBE and Peter van den Abeele. David Hornby to join the meeting as soon as able to do so.
- 1.2. The Chair noted that due notice of the meeting had been given and that a quorum was present. Accordingly, the Chair declared the meeting open.
- 1.3. No further declarations of interest were noted.

2. Governance

- 2.1. The Chair referred to the Company's articles of association ("Articles") and reminded the Directors that, pursuant to Article 19.4, six nominating bodies were granted the right to each



- nominate one director to be appointed to the board of directors of the Company (a "Nominated Director").
- 2.2. The Chair reported that the purpose of the meeting was to consider and, if thought fit, approve a change to the Nominated Director appointed by the Scottish Ministers (of St Andrew's House, Regent Road, Edinburgh, Scotland) through the following:
 - 2.2.1 the resignation of Maria Bettina Sizeland as Nominated Director;
 - 2.2.2 the nomination of Rachael McKechnie by the Scottish Ministers as replacement Nominated Director; and
 - 2.2.3 the appointment of Rachael McKechnie as the Nominated Director by VisitScotland, the Company's sole member, in accordance with Article 20.3.
 - 2.3. The Chair reminded the Directors of the need to have regard to their duties (including those contained in the Companies Act 2006 (the "Act") and the Articles) in considering the matters to be dealt with at the meeting.
 - 2.4. The following documents were produced to the meeting:
 - 2.4.1 a letter of resignation addressed to the Company by Maria Bettina Sizeland, tendering her resignation as Director with effect from 9 March 2022;
 - 2.4.2 a form from the Scottish Ministers nominating Rachael McKechnie to act as replacement Nominated Director;
 - 2.4.3 a form of consent to act as a director of the Company from Rachael McKechnie;
 - 2.4.4 a draft written record of the sole member of the Company, VisitScotland, containing an ordinary resolution to appoint the Nominated Director (the "Member's Resolution"); and
 - 2.5.5 a letter of appointment to be issued to the Nominated Director and the Chairman requested they sign and return this to the Company, which was duly undertaken. ("Appointment Letter").
 - 2.5. **DECISION:** After due and careful consideration by the Directors of their duties (including those contained in the Act) IT WAS RESOLVED that:
 - 2.5.1 the resignation of Maria Bettina Sizeland be accepted in accordance with its terms;
 - 2.5.2 Rachael McKechnie confirmed as replacement Nominated Director by the Scottish Ministers, the Member's Resolution be approved and sent immediately to the sole member of the Company.
 - 2.6. **ACTION:** The Chair reminded the Directors that a new director must be provided with a full, formal and tailored induction pursuant to Article 19.9.
 - 2.7. **ACTION:** The Chair instructed a copy of the Resolution, Form AP01 and Form TM01 to be filed with the Registrar of Companies and for the Company books to be updated.
- ### 3. Minutes, Actions and Matters Arising
- 3.1. **DECISION:** The previous minutes of 2 February 2022 were approved as presented.
 - 3.2. Matters Arising: The Chief Executive Officer noted the ongoing conversation with the UCI re: prizemoney. All other actions as read.
 - 3.3. **DECISION:** The Matters Arising were approved as presented.
- ### 4. Chair Report
- 4.1. The Chair noted the Staff Survey results presentation that was led by the Chief Executive Officer and HR Business Engagement Manager the preceding evening and noted that the Chief Executive Officer would contact any Directors who were not present on the evening to provide an update.
 - 4.2. **ACTION:** The Chief Executive Officer to provide an update on the Staff Survey Results to those Directors who were not present on Tuesday 8 March 2022.
- ### 5. Risk Management
- 5.1. The Senior Project Manager provided an overview of the risk management exercise that would be undertaken with the Board.
 - 5.2. **ACTION:** The Senior Project Manager, and identified Risk Owners, to review grading of financial risks as part of V3 Budget review.



- 5.3. The Senior Project Manager to consider the categorisation of risks, with the grouping of risks to be considered e.g. from an event and organisational perspective and to look at reducing the timescale for risks to 3/6 months due to the short life of the organisation.
- 5.4. **DECISION:** The Board approved the revised Risk Management procedure.
- 5.5. The Board undertook a wide-ranging discussion in relation to the risks presented during the risk management exercise by the risk owners.
- 5.6. **ACTION:** The Director of Policy and Impacts to review the wording of Risk R001.
- 5.7. **ACTION:** The Director of Policy and Impacts to provide an update at the April Board meeting in relation to the commitments of partners to the delivery of policy objectives following discussions with sportscotland and the Scottish Government.
- 5.8. **ACTION:** The Senior Project Manager to include a risk for the loss of key people and leadership team personnel within the Risk Register.
- 5.9. **ACTION:** The Senior Project Manager to update the Risk Register with the additional risks highlighted by the Board within the Risk Management exercise.

6. Commercial, Marketing and Communications

- 6.1 The Director of Commercial, Marketing and Communication spoke to the proposed sponsorship agreement with a major food retailer (Item 6.1).
- 6.2 The Board provided the Director of Commercial, Market and Communications with feedback on the proposed Heads of Terms, negotiation of the contract and servicing costs.
- 6.3 **ACTION:** The Director of Commercial, Marketing and Communication to confirm the hospitality arrangements, delivery model and the scope of services provided to Sponsors within the servicing fee.
- 6.4 **DECISION:** The Board approved the progression of a sponsorship agreement with the major food retailer, subject the amendments as discussed at the meeting.
- 6.5 The Director of Commercial, Marketing and Communication and Senior Commercial Manager provided a Commercial Programme Update to the Board (Item 6.2).
- 6.6 The Board confirmed support for the proposed direction of travel with Zwift, subject to legal structure clarification and proposal of delivery model confirming no impact on the Cycling Worlds team greater than any other marketing activity.
- 6.7 **ACTION:** The Director of Commercial, Marketing and Communication to confirm full impact of Zwift for the 2023 eSports Championships on 2023 Cycling Worlds and clarify legal structure.
- 6.8 **ACTION:** The Director of Commercial, Marketing and Communication to adjust the Ticketing ATT based on board feedback on pricing approach. Given the relatively low number of tickets to sell, the ATT and approach also needs to consider how this opportunity is made attractive to the market.
- 6.9 The Director of Commercial, Marketing and Communication and Senior Commercial Manager took the Board through the proposed Licencing and Merchandising strategy (Item 6.3).
- 6.10 The Board asked that any mechanism for charitable donation collection (e.g. 'round up' to nearest pound at end of sale) will be optional.
- 6.11 The Board noted that the specification of merchandise for sale will be in line with our policy objective (e.g. Sustainable sourcing).
- 6.10 **DECISION:** The Board:
 - i) approved the appointment of a Master Licensee in line with Option One, as detailed within the paper; and ii) approved the route to procurement of a Master Licensee (Concession Contract via the Public Contracts Tender Portal).
- 6.11 The Head of Marketing and Communications provided an update to the Board on the progress with Marketing and Communication (Item 6.4).
- 6.12 **ACTION:** The Head of Marketing and Communication to arrange a 'deep dive' session for the Board within the next two or three weeks, prior to a further question and answer session at the April 2022 Board meeting.

7. Strategy and Policy



7.1 The Chair noted that Item 7.1 would be taken as read and any questions on the paper should subsequently be directed to the Director of Policy and Impacts.

8. Chief Executive Officer's Report

8.1 The Chair noted that Items 8.1 and 8.2 would be taken as read and any questions on the paper should subsequently be directed to the Chief Executive Officer.

8.2 The Chair asked all staff and observers to leave the meeting so that Item 8.3 could be considered by the Board in a closed session with the Chief Executive Officer.

8.3 Item 8.3 - A Board only session was undertaken and a confidential minute has been agreed by the Board.

8.4 The Head of Governance and Business Services introduced Item 8.4 and noted that, following any procurement of a broker for the insurances and after approaching the market, a final decision on the insurances (prior to purchase) will be brought back to a future meeting of the Board.

8.5 **DECISION:** The Board i) approved the recommendation to proceed to market, inclusive of a level of cover for Event Cancellation Insurance to £30m as per the Scottish Government request, ii) approved an approach to market for costs for both one or two days for Event Cancellation insurance in the event of a period of National Mourning and iii) approved the inclusion of contingency into the insurance programme an additional £20-£30k to cover the requirement for retroactive cover in respect of Management Liability.

8.6 The Head of Governance and Business Services introduced Item 8.5.

8.7 Following an update from UK Sport on the UK Government's planning towards a period of National Mourning, the Board considered that a separate 2023 Cycling World Championships Ltd working group was not required.

8.8 **ACTION:** Following the production of the UK Government report, the Head of Governance and Business Services to liaise with UK Sport in relation to any UK Sport coordinated planning workshop for a period of National Mourning.

9. Finance and Procurement

9.1 The Financial Controller introduced Item 9.1 and provided an overview of the paper to the Board including an update on the current progress within the V3 budget, that will be considered by the Board at the April 2022 meeting.

9.2 The Head of Governance and Business Services provided a summary of Item 9.2 to the Board, including noting that £1.48m of the maximum contract value of £1.98m for Event Branding was within current budget and any additional expenditure over £1.48m would be brought back to the Board for an additional decision as it would require the utilisation of contingency.

9.3 **DECISION:** The Event Insurance and Event Branding ATTs were approved.

10. Committee Updates

10.1 The Head of Governance and Business Services and Depute ARC Chair gave a brief update on the activities of the ARC and noted that a formal report would be produced and included within future Board reports.

10.2 **DECISION:** The updated Policy Advisory Group Terms of Reference (Item 10.2) were approved.

11. Advisory Group Minutes

11.1 The Board noted the Sustainability Strategy Working Group Minutes.

12. Any Other Business

12.1 The Chief Executive informed the Board that the procurement challenge to the Cross Country Spoke contract has been discharged which would enable the standstill period to conclude.

12.2 **DECISION:** The Board agreed that, where possible, future Board meetings will include an information session the evening before followed by a four-hour meeting the following day.

Close of meeting - There being no further business, the Chair declared the meeting closed at 1.45pm.

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The Chair