



Notes on the
RFU COUNCIL MEETING
Held at Twickenham
20th March 2009

The meeting was chaired by the President, Brian Williams.

1. Chief Executive's Report

(Francis Baron - RFU Chief Executive)

1. Economic Situation

- i. The economic situation has continued to worsen.
- ii. Hospitality sales for the Six Matches are down approximately 30% against budget.
- iii. Conference & banqueting sales in the new South Stand facilities remain above budget and public sales on match days have been strong.
- iv. Work has started on the 2009/2010 budget. This will be a difficult exercise due to the anticipated drop in revenues caused by the economic downturn. An interim report on the budget will be presented to the Management Board at its meeting on Wednesday 25th March 2009.

2. Elite Rugby

- i. Agreement still needs to be reached on the issue of revenue smoothing by Premier Rugby Limited (PRL), which the RFU believes is damaging to those Clubs with Elite Playing Squad (EPS) players.
- ii. No agreement has yet been reached with PRL over the replacement of the Anglo Welsh Cup, although discussions are continuing. PRL wish to increase the number of Guinness Premiership matches rather than participate in the replacement competition as set out in the PRL Agreement. A meeting has been arranged with PRL for Tuesday 24th March 2009 to discuss the matter further.
- iii. The Welsh Rugby Union (WRU) is strongly supportive of the RFU's proposals to replace the Anglo Welsh Cup and the new second competition for the Championship involving teams from the Welsh Premiership, Ireland and Scotland.
- iv. The Australian Rugby Union (ARU) asked England for a game in November 2009. Under the PRL Agreement, PRL must approve any additional games. Unfortunately PRL has not been able to approve this game and as a result the RFU has had to inform the ARU that it is unable to agree to their request.

- v. PRL has also been unable to approve the RFU's request that England accept an invitation from the Irish Rugby Football Union (IRFU) to play in the inaugural match at the new Lansdowne Road in November 2010. The IRFU has been informed of the situation and they are now considering other alternatives.
- vi. Further meetings have been held with the Professional Rugby Players Association (PRA) and PRL on the future funding of the PRA (the RFU and PRL jointly fund PRA). The Management Board has agreed to extend the PRA's funding for a further year pending reaching a longer term package.
- vii. The contracting of EPS members by French Clubs is a matter of significant concern as the French Clubs are not party to the player release and welfare issues covered under the PRL Agreement. The RFU has written to all EPS members outlining the problem and advising them of the release and welfare issues that they should have included in their agreements with their new Clubs if they wish to continue to be considered for the EPS. The final decision on their England selection will however remain with the England Manager.

3. First Division Rugby (FDR)

- i. The four working groups established to produce proposals on various matters related to the establishment of the Championship are all working satisfactorily. There will be a meeting of the Championship Clubs at Twickenham on 6th April 2009.
- ii. All FDR Clubs were notified on the 9th February 2009 of the "one off" parachute payment that will be made to those Clubs finishing 12th, 13th and 14th. The payments are to ensure that the competition remains competitive in the second half of the season by providing an incentive to those Clubs in the bottom part of the league.

The amounts involved are

Club finishing 12 th	£40,000
Club finishing 13 th	£25,000
Club finishing 14 th	£10,000

4. RWC 2015 Tender Process

- i. Work on the tender is progressing.
- ii. To be financially viable (and to justify providing the International Rugby Board (IRB) with the £80 million guarantee that it requires) it is essential that the RFU has access to some of the Barclays Premiership grounds. A request has been made to the Barclays Premiership who have been receptive to the approach and are considering the matter.
- iii. The Government is continuing to make positive statements of support, but has not yet committed to making any financial contribution or providing any financial guarantees.
- iv. Consideration has been given to including Ireland, Scotland and Wales in the bid, but the relatively small size of the new Lansdowne Road and Murrayfield make this financially difficult. Negotiations are continuing with the WRU over the use of the Millennium Stadium.
- v. If the RFU decides to tender for the 2015 Rugby World Cup the tender documents have to be submitted to Rugby World Cup Limited (RWCL) on or before 8th May 2009.

5. Community Rugby

Sport England has agreed to accept the RFU's request to alter the phasing split of revenue and capital amounts that it has awarded to the RFU over the next four years.

This will help provide additional revenue funding over the next two years and will help maintain the key programmes during the economic downturn.

6. **South Stand Development**

- i. There is one outstanding issue to resolve before the Marriott hotel can open and that is a dispute between the London Fire Brigade and the Marriott Fire Department over smoke extraction from Levels 1 & 2.
- ii. The Virgin Active health club and the offices are on timetable and on budget.

2. **Strategic Plan**

(Francis Baron - RFU Chief Executive)

1. The Strategic Plan for 2008/2009 to 2015/2016 was approved by Council, subject to some minor drafting and typographical corrections.
2. An executive summary of the plan is currently being prepared and will be distributed to the Constituent Bodies (CBs).

3. **Finance Director's Report**

(Nick Eastwood - RFU Finance Director)

1. The January 2009 Management Accounts show a profit before tax of £1.2m against a budgeted profit before tax of £0.4m, a favourable variance of £0.8m. The accounts contain (on a conservative basis) year to date adverse timing differences of £1.0m, which means that on an adjusted basis the actual result to date is £0.2m adverse to budget.
2. The economic downturn has materially affected ticket income and hospitality sales.
3. The Management Board has approved a package of cost savings totalling £1.5m.
4. As was always planned, the interest relating to the hotel will only be expensed once the hotel is open; until that time the interest is capitalised. The delayed opening has resulted in £0.7m of interest being capitalised rather than expensed.
5. The latest forecast for the year, which includes the cost and interest savings referred to above, shows a profit before tax of £1.3m against a budgeted profit of £2.2m, an adverse variance of £0.9m.
6. Cash balances stand at £1.9m, a decrease of £0.9m since the year end. £0.8m has been collected from debentures, there has been an inflow of £18.5m from operating activities and there has been a draw down of £9m from the Barclays Bank loan facility. Against this there has been £25.6m of capital expenditure and £4.5m has been paid out to Clubs (including the annual premium for Club and player insurance) and CBs.
7. Bank borrowings are currently £46m, and increase of £13m since the year end. This is in accordance with budget. There are currently £24m in unutilised facilities and there are no issues in respect of loan covenants.
8. The RFU's insurance captive, Rugby Sure, has now been established and is now insuring a limited amount of the RFU's risks in respect of public liability, coaches & referee liability and the Saxons playing programme. To date the only claims have been in respect of the Saxons EPS at a rate consistent with budget.

4. **RFU Injured Players Foundation (IPF)**

(Nick Eastwood - RFU Finance Director)

1. The IPF is now up and running with the office and staff based at Twickenham.
2. The IPF executive and the trustees are in the process of formulating a strategic plan for the IPF for the first years of its operation.
3. There have been no confirmed catastrophic injuries this season.

5. National Clubs Association (NCA) Funding

(Nick Eastwood - RFU Finance Director)

1. Council passed a resolution at its meeting in March 2008 that consideration of the proposed change in funding policy for NCA Clubs should be deferred until the structure of both FDR and the NCA was resolved. As these issues have now been decided (notwithstanding that there is a considerable level of detail still to be agreed on certain issues) the NCA executive has been informed of the levels of funding for their Clubs.
2. Council approval for the changes to NCA funding will be sought at the April Council meeting.

6. Constitutional Review Task Group (CRTG)

(Nick Eastwood - Chairman of the Constitutional Review Task Group)

1. The CRTG has met and discussed the submissions made by Constituent Bodies on the CRTG's draft final report.
2. The CRTG will now issue its final report, which will be considered at the April Council meeting.
3. The CRTG will not be recommending to Council that the report be adopted in its entirety, but will be seeking approval on a section by section basis with the more controversial points being considered individually. To assist with the process Council members were asked to let Nick Eastwood know as soon as possible of any of the recommendations that they would like to see separately voted on. If there is sufficient support then the CRTG will recommend that the item is separately voted on, subject only to the fact that certain recommendations have to be taken together.

7. Ticket Pricing

(Paul Vaughan - RFU Commercial Director)

1. The major factors that have driven the strategy are as follows
 - i. Member Clubs will be offered the best deals on tickets.
 - ii. The RFU needs the flexibility to put ticket offers to the general market.
 - iii. The principal ticket pricing strategy must remain intact.
 - iv. Customers are under pressure to obtain better value for their purchases.
 - v. Any mechanism that is used to drive sales must be kept simple for buyers and must be easy to administer.
 - vi. Under16s should be able to obtain tickets at a fixed price no matter where they are in the stadium.
2. Council approved the recommendation that the ticket prices for the A Grade matches in 2009/2010. These are the games against New Zealand (in the Autumn) and the games against Wales and Ireland (in the Six Nations) should remain unchanged:

	2008/09	2009/10
Premium	£85	£85
Category 1	£71	£71
Category 2	£60	£60
Category 3	£52	£52
Category 4	£41	£41

3. Council agreed that, due to the high level of returns from Clubs in the lead up to the games that, for the New Zealand game only, there will be no facility to return tickets.

4. Council approved the following policy for the Grade B Matches in 2009/2010. These are the games against Argentina & Fiji)
 - i. Three price bands of £65, £45 and £25.
 - ii. All concessions at £10.
 - iii. For a limited period of 4 weeks (April 2009) Clubs will be offered a discount of £20 off a £65 ticket.
 - iv. All categories of ticket to be offered with a £10 voucher, redeemable, at the Rugby Store or online. The voucher can be used against any purchase and will expire on 1st December 2009.
 - v. The initial public sale, which will go live after April, will only carry the voucher offer and no discount.
 - vi. Closed groups (such as the O₂ customer base) will be offered a discounted offer at a later date if needed.
 - vii. Grade B tickets will not be refundable.

8. Experimental Law Variations

(Chris Cuthbertson - Chairman ELV Task Group / Kevin Bowring - RFU Head of Elite Coach Development)

1. Chris Cuthbertson and Kevin Bowring gave a presentation to Council on the preliminary findings and recommendations of the ELV Task Group on the 13 Global ELVs, the 4 Sanction ELVs and the 7 ELVs that were referred back to the iRB's Laws Project Group.
2. The ELV Task Group is working closely with the Six Nations on the evaluation of the ELVs.
3. The iRB is holding a worldwide conference at the Lensbury on 30th/31st March to discuss the ELVs. Francis Baron, Rob Andrew, Kevin Bowring and Chris Cuthbertson will attend on behalf of the RFU.
4. The conference will make recommendations to the iRB Rugby Committee, who will in turn make recommendations to the iRB Council.
5. Whether the ELVs will be incorporated into Law will be decided by the iRB Council at its meeting on 13th May 2009.

9. Rule Changes

(Pater Baines - Chairman of Governance Committee)

A number of rule changes recommended by the Governance Committee were approved by Council. These will now be included in the first calling notice for the 2009 Annual General Meeting.

10. Privilege Membership

(John Owen - Chairman of Nominations Committee)

On the recommendation of the Nomination Committee, Council granted Privilege Membership to John Clark and David Shaw.

John Clark worked for the RFU for 27 years finally succeeding his father as Head Groundsman and Clerk of Works. John retired in September 2008.

David Shaw commenced work with the RFU in 1982 working in both the community and elite game to ensure a "seamless integrated development pathway for talented players". David left the RFU in 2006.

11. Diversity & Safeguarding Legislation

(Karena Vleck - RFU Legal Officer / Nic Scott - Equity and Safeguarding Manager)

1. A presentation was given to Council on the diversity issues facing the RFU.
2. Council was informed that the government has delayed the introduction of the safeguarding legislation by six months.

12. Anti Doping Regulations

(Mike Miller - iRB Chief Executive / Tim Ricketts - iRB Anti Doping Manager)

Mike Miller and Tim Ricketts gave a presentation to Council on the new anti doping regulations from the World Anti Doping Agency (WADA) and its likely effect on elite players in England.

13. Community Rugby Report

(Rob Udwin - Chairman of RFU Community Rugby Committee)

1. Rob Udwin presented a written report to the meeting.
2. **Coaching**
 - i. The coach licence scheme is well underway with licences being awarded and Continuous Personal Development (CPD) courses being run.
 - ii. Ten new CPD courses are now available for coaches of mini/midi, adult and youth players – all to be delivered locally within Club clusters.
3. **Player Welfare**
 - i. The “Try 4 Life” programme is underway in 24 locations across the country funded by Wooden Spoon & Sportsmatch. This scheme involved the Community Rugby Coaches delivering coaching in Youth Offenders institutions and supporting the work of local Youth Offending Services.
 - ii. Vetting & Barring Scheme preparations are underway. Training dates and venues for CBs and Welfare Managers are now set. Club guidance notes are being prepared.
4. **Students**
 - i. A University sector facilities survey is being carried out in conjunction with British Universities and Colleges Sport (BUCS).
 - ii. CBs are being asked to send a representative to the National Students Conference on 21st April 2009.
 - iii. There has been an increase in participation in the student game at all levels. This is reflected in an 11% increase in teams in the BUCS and British Colleges Sport (BCS) leagues.
5. **Schools**
 - i. There are now 3,100 affiliated schools.
 - ii. The school competitions programme is showing excellent growth.
6. **Referees**

The new training modules for match officials are now being piloted and will be ready for implementation in August 2009.
7. **Volunteers**
 - i. 205 nominations have been received for the 2009 President’s XV Awards.
 - ii. Over 100 vRugby projects are underway.

8. **Club Development**

- i. Over 460 clubs have received Seal of Approval for their Mini and youth sections.
- ii. The pilot Whole Club Seal of Approval has been launched.

9. **Play On**

- i. 900 Pathfinders have been recruited out of a target of 1,380.
- ii. Regional Development Officers and CBs have organised over 300 events to promote the Play On campaign.
- iii. 3,100 players have attended College and University retention events.
- iv. 1,720 players have been involved in leisure rugby activities.
- v. There are 14 new junior leagues or merit tables involving 146 new teams.

10. **Financial Helpline**

This has now been launched.

The next Council meeting will be on Friday 24th April 2009.

These notes are a personal recollection of the meeting and include those matters, which I believe will be of interest clubs. No attempt has been made to convey all of the opinions expressed during the debates.