



MIDDLESEX NOTES ON THE RFU COUNCIL MEETING

Held at Twickenham - 29th November 2019

The meeting was chaired by the President, Peter Wheeler.

1. PRESIDENT'S OPENING REMARKS

Peter Wheeler - President

- 1.1 Peter Wheeler congratulated Eddie Jones and the whole England Squad on the tremendous achievement in reaching the Rugby World Cup Final in Japan.
- 1.2 The President also congratulated the Red Roses on their unbeaten Autumn series and Wayne Barnes on becoming the World Rugby Referee of the Year.

2. CHIEF EXECUTIVE'S REPORT

Bill Sweeney - Chief Executive Officer

- 2.1 The primary areas of focus since the last Council meeting have been the Rugby World Cup campaign and the ongoing work on Project Light and on Project Union.
- 2.2 **2019 Rugby World Cup**
 - a. Whilst the outcome was disappointing, reaching the final was a tremendous achievement especially given that the team was the youngest ever to reach a final and that most will be available for the next RWC, which will be held in France in 2023.
 - b. The squad were great ambassadors for their country and England Rugby.
 - c. A formal debrief has taken place. The aim of the debrief was to identify the strengths and weaknesses of England's preparation both before and during the tournament to improve performance in future competitions.
 - d. The final was watched by 79% of the UK viewing audience (12.8 million) making it the most viewed television event of the year.
 - e. Japan hosted an outstanding and record-breaking tournament despite the challenge of Typhoon Hagibis.
 - f. **Commercial Impact**
The tournament has had a beneficial impact on multiple areas of the business.
 - g. **Global Stakeholder Engagement**
The RWC provided a useful forum to engage with World Rugby and other Unions and helped to build a greater understanding of the global issues facing the Game.
- 2.3 **Project Light**
 - a. Bill Sweeney updated Council on Project Light.
 - b. The aim of the project is to consolidate all the six nations' broadcast rights (including the Men and Women's Autumn Internationals and Six Nations Championship) into a new media entity. By consolidating the rights, the Six Nations can provide a more attractive package to broadcast media, thus hopefully optimising income.
 - c. The new entity would also include some associated sponsorship rights.
 - d. As part of the process the unions are in exclusive negotiations with CVC Capital Partners (CVC) to acquire a minority non-controlling stake in the new entity. CVC is a private equity company that recently acquired a minority stake in Premier Rugby Limited (PRL). As well as providing a cash injection into the six nations, CVC would also be able to utilise their commercial and

broadcast experience & connections to increase revenues, which could then be invested by the Unions back into the game.

- e. Negotiations have been slightly delayed due to the Rugby World Cup but are progressing.

2.4 **Project Union**

- a. Project Union began in May 2019 with the aim of re-focussing the RFU's resources in the face of changes in the external environment.
- b. The project is currently on track with all major milestones having been met.
- c. Key areas of ongoing work are (1) Affordability analysis (2) Ways of working (3) Culture development and (4) Stakeholder engagement.

2.5 **World Rugby**

- a. South Africa will host the Rugby World Cup Sevens in 2022.
- b. There will be a dual bidding process for the 2027 and 2031 Rugby World Cups.
- c. The Head Injury Assessment time has been increased from 10 to 12 minutes.

2.6 **Rugby Europe**

- a. The Rugby Europe Board has recommended several governance changes be made. These included reducing the size of the Board, simplification of the committee structure and changes to the Rugby Europe General Assembly. These recommendations will now be considered by Rugby Europe's General Assembly.
- b. A new structure for the Rugby Europe Championship has been approved. The annual competition, which will still be used to qualify teams for the Rugby World Cup, will probably expand to eight team with pool stages, semi-finals and a final.

2.7 **Corporate Social Responsibility & Charity Strategy**

A review is being undertaken of the RFU's CSR & Charity Strategy is being undertaken. Integral to this is the setting u/p of a group to oversee the strategy and fundraising process.

2.8 **Injury Risk Reduction Working Group**

An injury risk reduction working group has been set up to improve understanding of the injury risk at all levels of the game and make recommendations as to how it can be mitigated.

2.9 **Staff Changes**

- a. Nigel Melville has decided to step down as Professional Rugby Director and will leave the Union in December 2019.
- b. Conor O'Shea will be returning to the Union in the New Year as Director of Performance Rugby. The former Ireland international recently stepped down as Italy's Head Coach and was previously Director of Rugby at Harlequins. He will report directly to the CEO.
- c. Alan Dickens has been appointed the England men's Under 20s Head Coach.
- d. Jonathan Pendlebury has been appointed the England men's Under 18s Head Coach.
- e. After five years at the Union, Gareth Mills has resigned from his role as head of communications to take up a role at the Premier League as their head of news and corporate communications.

3. **COMMUNITY GAME BOARD REPORT**

Rob Briers - Chair of Community Game Board

3.1 Rob Briers updated Council on the CGB meeting on 24th October; the highlights being:

- a. Consideration of the mandatory provision of first aid/immediate care at all age groups including adult rugby. Following discussion at the CGB, the proposal has been amended to only cover age grades up to and including Under 18s. This will be brought back to Council before implementation.
- b. The CGB agreed that interest should be payable on any future RFF loans to any Club that paid players (L6 & below) or that exceeded the limits (Levels 3, 4 & 5).
- c. CGB received a presentation from on streamlining of funding to CBs by focussing on core activities rather than on requiring CBs to create development plans. CGB endorsed this direction of travel.
- d. CGB received an update on Project Union.
- e. CGB received an update on the work of the Adult Male Competition Structure Group.

- f. A review of the work of the Travel Funding Review Group was received. This work will now be aligned with the work of the Adult Male Competition Structure Group.
- 3.2 The next CGB meeting is on Thursday 5th December 2019.

4. **NATIONAL RUGBY SURVEY (NRS)**

Ben Lowe - Head of Rugby Growth

- 4.1 The annual National Rugby Survey launched on 30th September 2019 and closed on 8th November 2019.
- 4.2 The NRS was delivered across all four Home Unions at the same time, which should provide some interesting comparative data.
- 4.3 The final response for England was 21.3k (2018 – 22.5%) of which 22% were current players, 26% lapsed players, 7% age grade players, 15% coaches, 5% match officials, 6% administrators and 20% fans.
- 4.4 The results are currently being analysed and a roll out of the key findings (both internally & externally) is being planned.
- 4.5 CB packs will be available during February 2020 providing localised data with national comparatives.

5. **ADULT MALE COMPETITION STRUCTURE GROUP UPDATE**

Stephen Pearson - Chair of the Group

- 5.1 Stephen Pearson updated Council on the work of the Group.
- 5.2 The primary aim of the group is to determine whether the current adult male competition structure is still fit for purpose. There is already significant evidence (more than was available to the Adult Competition Review) that it is not, and that change is needed.
- 5.3 The Group has met three times and already consulted widely.
- 5.4 Ten listening panels are being convened to obtain further information and views.
- 5.5 The Group is receiving unsolicited information and opinions from the game and these are welcomed as they help identify the problems facing the game and possible solutions.
- 5.6 The Group will make its initial recommendations to the January 2020 meeting of the CGB and, if the recommendations are supported, they will be presented to the April 2020 Council meeting.
- 5.7 There will be a period of consultation, but it is hoped that the recommendations will be adopted and implemented for the start of the 2020/21 season. Whilst this will be challenging, if the changes will help stabilise the male game, then the sooner they are implemented the better.

6. **CHAIRMAN'S REPORT**

Andy Cosslett - Chairman of the Board

- 6.1 The last Board meeting was on 13th November 2019 at which:
 - a. The Board received a paper on safeguarding in the community game. This has also been discussed in detail at the Audit and Risk Committee and in Governance and remains on the CGB agenda. This remains a critical area for the Union.
 - b. The Board also received updates from the Remuneration Committee and the Board Nominations Committee.
 - c. The Board agreed the terms of reference for a Fundraising Oversight Board to oversee the co-ordination of fundraising for the Union's CSR and charitable work.
- 6.2 **Board Effectiveness Review**
 - a. Part of good corporate governance is a regular external review of the effectiveness of the Board. In line with general practice, and expectations from Sport England, the Union aims to do this every three-years; the last review was completed at the end of 2016.
 - b. The review in 2016 contained 25 recommendations, most of which have been implemented. In particular, the Board now has at least one Board meeting per season away from Twickenham, a Board Nominations Committee has been established, and greater work has been undertaken to ensure that actions from each meeting are captured and then completed.
 - c. The Board has commissioned a company called Value Alpha, who have worked both with large corporate entities and sports governing bodies, to conduct a review during December 2019 and January 2020.

- d. The process will involve interviews with Board members, observation of the Board strategy day and of the Audit and Risk Committee meeting in December.
- e. The findings will be reported to the Board in January and subsequently shared with Council.

6.3 Nigel Melville

Andy Cosslett thanked Nigel Melville for his contribution to the Union and acknowledged the outstanding contribution he made as Interim Chief Executive Officer, when he was invaluable in “steadying the ship”.

7. GOVERNANCE COMMITTEE REPORT

Chris Cuthbertson - Chair of the Governance Committee

7.1 The Committee last met on 6th November 2019. The next meeting will be on the 15th January 2020.

7.2 Saracens

The Committee received an update from Premier Rugby Limited on the Saracens Salary Cap breach process, decision and sanctions. The Committee noted that the ultimate authority for the Salary Cap Regulations derives from the Premiership Regulations, which are approved by the RFU Council. The judgment would not be released publicly, but the Salary Cap Regulations themselves are publicly available, and there is a clear mechanism for how fines and points deductions are arrived at.

7.3 Annual Club Audit

The Committee has reviewed the results of the annual Club Audit (where CBs provide returns as to the which clubs have maintained their voting member status during 2018/19). The results show a small decline in the number of Voting Clubs from 1306 to 1300. Whilst this is not a conclusive snapshot as to the health of the game (as it does not consider the amount of rugby played within the Clubs), the meeting felt that stability was encouraging.

7.4 Annual Club Safeguarding Audit

The Committee has reviewed the results of the Safeguarding Audit, noting that completion the rate was over 95%, with only 25 clubs outstanding (out of around 900). This is the first year that there has been a mandatory audit. It was reported that the audit process was found to be helpful to those clubs who do not have a youth section but who are seeking to play 17-year olds in their adult teams as it helped give a framework for the additional support needed for those players.

7.5 Payment of Players Declaration

The Committee discussed outline feedback from the first year of the payment of players regulations. The Legal and Governance Department is undertaking a fuller review of this, which will also consider any learnings from the ongoing investigations and cases. It is envisaged that an update will be given to the January 2020 Governance meeting, with a fuller report in March 2020.

7.6 Insolvency Regulations Review

The Committee received an update from Paula Carter, who chairs the Insolvency Regulations Working Group. The Working Group was set up by the Governance Committee following concerns arising out of Yorkshire Carnegie case. A range of interested parties have already been interviewed, and there was support for a simplification of the regulations, but with an automatic penalty. The extent of RFU monitoring of Clubs’ finances is still being discussed. A report with recommendations will come back to the next Committee meeting in January 2020.

8. COUNTY CHAMPIONSHIP REGULATIONS 2019/20

Chris Cuthbertson - Chair of the Governance Committee

- 8.1 Chris Cuthbertson presented the 2019/20 County Championship Regulations (Bill Beaumont Cup, Gill Burns Cup & Jason Leonard U21s Cup).
- 8.2 The regulations been considered and approved by the County Championship Committee and the Governance Standing Committee.
- 8.3 Council **APPROVED** the 2019/20 County Championship Regulations.

9. POWERS OF COUNCIL WORKING GROUP

Nigel Gillingham - Chair of the Working Group

- 9.1 Nigel Gillingham updated Council on the work of the Powers of Council Working Group. The current powers of Council are set out in Rule 16.

9.2 The Working Group will present its recommendations to the February 2020 Council meeting.

10. **DIVERSITY & INCLUSION (D&I) WORKING GROUP**

Genevieve Glover - Chair of the D&I Working Group

10.1 The D&I Working Group was established by Council in September 2017 and formed in February 2018 with a brief to consider ways in which the RFU could improve diversity and inclusion across the leadership and governance structures within the game.

10.2 The D&I Working Group presented its initial recommendations to the September 2019 Council meeting. Following feedback received at the Council meeting and subsequently, the D&I reviewed their recommendations, and these were presented to Council (Appendix 1).

10.3 The revised recommendations were **APPROVED** by Council.

10.4 The D&I Working Group will now support the relevant committees within the RFU governance structure to embed and shape these principles further so that they are tailored to support the best outcomes for each situation.

11. **COUNCIL NOMINATIONS COMMITTEE REPORT**

Mike Waplington - Chair of the Council Nominations Committee

11.1 Mike Waplington updated Council on the work of the Council Nominations Committee.

11.2 **Council Support Group**

David McAteer (Berkshire) has been appointed to the Council Support Group for 2 years and Roger Clarke (Kent) for 3 years.

11.3 **Insolvency Regulations Working Group**

a. Following the issues around Yorkshire Carnegie, Governance Committee set up a working group under the Chair of Paula Carter (Surrey) to review and make recommendations as regards the Union's Insolvency Regulations. Council members were invited to form part of this group with 2 positions available;

b. Expressions of interest were received from 3 members and after due consideration Allan Butcher (Sussex) and Norman Robertson (NCA) were appointed to the group.

11.4 **Injured Players Foundation (IPF) Trustees**

a. 2 IPF Trustees are standing down at the end of 2019 as their terms end. A total of 3 applications were received for consideration by the IPF Board;

b. The IPF Board make their recommendations to the RFU Board in December 2019 in order that the new Trustees can take up their roles in January 2020.

11.5 **GMS Steering Group, Fundraising Oversight Board & Tyrells Premiership 15s Selection Panel**

Applications have been sought for all the above groups and the closing dates have recently passed;

11.6 **Forthcoming Vacancies**

a. An invitation will be sent out shortly for Council and Distinguished members to apply for the role of Junior Vice President.

b. **Chair of CGB & Chair of Governance**

i. Rob Briers (Lancashire) comes to the end of his tenure as Chair of Community Game Board at the end of the season.

ii. Chris Cuthbertson (Middlesex) comes to end of his first term as Chair of the Governance Standing Committee and is eligible for a further term.

Both these positions are Board Nominations Committee appointments. The Council Nominations Committee will assist in the process.

c. Stephen Pearson (Oxford University) coming to the end of his first term and Deborah Griffin (WR Representative) her second as Council Elected Non-Executive Directors. Both are eligible for re-election.

d. As three members of the Council Nominations Committee are coming to the end of their term as Council members at the end of the season, an invitation will be sent out early in the new year for applications to join the Committee.

12. PROFESSIONAL GAME BOARD (PGB) REPORT

Phil de Glanville - RFU Representative on the PGB
& Darren Childs - CEO of Premier Rugby Limited

- 12.1 Phil de Glanville & Darren Childs updated Council on the recent PGB meeting.
- 12.2 Darren Childs updated Council on the significant fine and points deduction imposed on Saracens after they had been found to be in breach of the PRL salary cap regulations.
- 12.3 The High Tackle Framework which was used at the recent Rugby World Cup has now been embedded in the Premiership and Championship. Initial outcomes appear to show that the framework is having a positive impact on player tacking behaviour.

13. FINANCE UPDATE

Sue Day - Chief Financial Officer

- 13.1 Sue Day presented the Q1 Results to Council.
- 13.2 2019/20 will be loss making due to the increased costs due to the World Cup, the lack of Autumn Internationals (only partially offset by RWC warm up games) and only having two home Six Nations games. This was reflected in the 2019/20 Business Plan & Budget.
- 13.3 The Q1 financial results (quarter to end of September) are in line with the budget.
- 13.4 The Union remains financially strong.

14. ANNUAL REPORT & ACCOUNTS

Sue Day - Chief Financial Officer

- 14.1 Sue Day presented the 2019 Annual Report & Accounts to Council.
- 14.2 The report highlights rugby investment (professional game and community game) of £100.5 million. T
- 14.3 The financial outcome for season 2018/19 saw total group revenues of £213.2m (prior year £172.4m), operating profit of £14.9m (prior year loss of £24.4m) and profit to reserves (after reinvestment in the game) of £3.9m (prior year loss of £30.9m).
- 14.4 The improvement on the previous year was mainly due to stronger sponsorship revenues, more international matches played at Twickenham, a reduction in overall rugby investment and lower overheads. At the end of the year, outstanding bank loans totalled £59.5m (2018: £44.3m).
- 14.5 The 2019 Annual Report & Accounts will be published on 4th December 2019 and distributed to all Clubs.

15. TICKET PRICING

Charley McGinty - Chair of the International Rugby Ticket Sub-Committee (IRTSC)
& Simon Massie-Taylor - Commercial Director

Charlie McGinty & Simon Massie-Taylor gave a presentation on the proposed ticket prices for the men's internationals at Twickenham for season 2020/21. These have been discussed by the Board, who will make a final decision, after considering feedback from Council, in January 2020.

The next Council meeting is on Monday 24th February 2019 at Twickenham.

Chris Cuthbertson

10th December 2019

[Rob Udwin was unable to attend the meeting due to Rugby Europe commitments]

These notes are personal recollections of the meeting and include those matters which are felt will be of interest to Middlesex Clubs. No attempt has been made to convey all the opinions expressed during the debates.

APPENDIX 1

DIVERSITY & INCLUSION WORKING GROUP

Recommendations Approved by Council

		PRINCIPLE	DETAIL
1.		<p>The composition of:</p> <ul style="list-style-type: none"> i. RFU standing committees, ii. RFU sub-committees and iii. RFU task & finish/working groups <p>to be considered within a Diversity & Inclusion context and committees to be supported in achieving a diverse mix of members.</p>	<p>It is proposed that the composition of each of these is considered and terms of reference are put in place outlining, for example, the number of members who should be from the game/be independent. Committees to work towards this as members complete their terms. Relevant data on existing committees and working group members to be captured for the 2019/20 season and ongoing to assist nominations committees with future appointments.</p>
2		<p>Working practices, location and timings of meetings of RFU standing committees, subcommittees and task & finish/working groups should be reviewed to enable a more diverse group of members to participate.</p>	<p>This could include for example meeting rooms/boxes at Twickenham being enabled for Skype or equivalent, dress code (less formal), alternative meeting locations (eg: central London or elsewhere in the country), alternative timings (after 17.00, at weekends & around matches) as well as virtual meetings where meeting face to face is not necessary.</p>
3.		<p>Consideration given to the Diversity & Inclusion overlay on Council Member appointments, supporting Constituent Bodies to attract and retain a more diverse pool of people.</p>	<p>Constituent Bodies need to be supported to build a diverse pipeline of talent, and to succession plan, for possible Council Member candidates so that in the future the Constituent Body can benefit from Council Members who are different and complementary.</p> <p>For future appointments, Constituent Bodies should be encouraged to publicise the benefits of different and complimentary candidates and to reference the available pool of talent for the players and clubs being represented. E.g. Constituent Bodies with two Council Members encouraged to have different and complementary Council Members eg each identifying as a different gender</p>
4.		<p>The RFU to consider where it may be appropriate to introduce a Diversity & Inclusion requirement to secure certain types of funding, e.g. Constituent Bodies to satisfy</p>	<p>Sports governance code expectations to be filtered into Constituent Bodies and broader expectations from the RFU around diversity clarified. LRP funding or Constituent Bodies might</p>

		all/certain demands of the sports governance code	include an additional element available only to those Constituent Bodies who are able to show that they meet those expectations
5.		A training programme to be initiated for Board and Council along with all Constituent Bodies in receipt of RFU funding to support with diversity awareness	To tie in with the diversity understanding/awareness training which is being rolled out to RFU staff. To provide new Council Members and anyone involved in any recruitment activities (to include Council Nominations Committee and Board Nominations Committee members) with the tools to tackle unconscious bias and consider a broader range of candidates.
6.		Council Members and Constituent Body officers and committee members to provide Diversity & Inclusion data on a confidential basis to allow progress to be tracked and trends monitored anonymously Council Members and Constituent Body officers and committee members to share Diversity & Inclusion data in the most appropriate way.	Diversity monitoring forms to be completed as part of all application processes
7.		Profiles of all Council members, Committee members etc to be freely available on the internet to ensure visibility and accessibility and to show the make-up of Council and working groups	Guidance provided to Council Members and Constituent Bodies on the format and type of information they might like to share and where to share it, eg: England Rugby website. Increase visibility of the work of the Council so prospective Council Members understand what is involved. Format to be provided to ensure consistency in the type of information that is provided and act as a guide for those completing.
8.		A Diversity & Inclusion Policy incorporated into the Code of Conduct, to be created and adopted by Board and Council to establish principles, boundaries, guidelines and acceptable behaviour.	Ensure Constituent Bodies positively adopt such a policy and work to embed it in clubs. Consideration to be given as to how alleged breaches of the policy in the wider game might be dealt with under Regulation 19
9.		Guidance provided by the RFU to Constituent Bodies and Clubs to	To include guidance on a more inclusive and

		support inclusive practices and show case best practice. Best practice recruitment tool kit to attract a diverse range of candidates for each appointment.	wide-reaching approach to the recruitment of volunteers and clarity on the development benefits of taking on leadership roles
10.		To agree in principle to strengthen the relationship between National Youth Council and RFU Council and leverage the experience and perspectives both groups can bring.	<p>Constituent Bodies to be encouraged to consider the establishment of Constituent Body Youth Councils.</p> <p>Examples may include mentoring and reverse mentoring between Council Members and National Youth Council members (eg: Council Members are mentored on technology, social media, current trends etc; National Youth Council member representation at RFU Council meetings and vice versa; specific projects proposed between National Youth Council and Council to take forward (and report back at Council meetings; potential Independents to support National Youth Council recruitment etc).</p>

End