

**Communities, Equality and Local Government Committee
CELG(4)–09–14 Paper 4**

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Chair, Communities, Equality and Local Government Committee
National Assembly for Wales
Cardiff CF99 1NA

11 March 2014

Dear Ms Chapman

RE: The Welsh Rugby Union and Regional Rugby Wales

We have seen the reply sent by the WRU to your recent letter seeking information about the crisis affecting Welsh rugby. We note that the WRU stated that its intention was to give you some background to allow you to take ‘a fully formed view’ of the situation, and we would share that very proper concern. Therefore we, the undersigned who have come together through the gwladrugby.com website, believe that, as concerned followers of the sport that we love, we should take the opportunity to also place our views concerning the reply on record, and in your hands. We have also taken the liberty of grouping our response under a series of headings.

‘The good of Welsh Rugby’

In any document emanating from the WRU, or in the frequent interviews that they give to the media, there is regular reference to ‘working for the good of the game’ or ‘working for the good of rugby in Wales’. Indeed the statements are chanted like some kind of mantra. This begs the question – how does one define ‘rugby in Wales’? To Mr Roger Lewis it has a single, defined meaning - it means ‘working for the good of ‘Team Wales’’. His entire focus is built around the need to project the national team as a brand and to promote it. It is our contention that there are other ways of ‘working for the good of rugby in Wales’ and they range from the people who give up their free time on a Sunday morning to run junior squads, those who turn up to support their local team on a Saturday in bad weather, to the backers of the professional teams who have to put their hands in their pockets from time to time. The concern is exacerbated by the fact that recent statistics have shown that, while the income from the international matches have gone up, the number attending them have actually gone down! So the formula is to take more and more from fewer, more affluent spectators and corporate clients – a sustainable model we wonder? However this rich breadth of activity that we depict is not a part of his perception as it does not contribute, in his view, to the greater good of Team Wales. We suggest, therefore, that you should be wary of Mr Lewis’s frequent and gushing references to the WRU taking steps for ‘the good of Welsh rugby’ – those steps may actually be at variance with the ‘good of Welsh rugby’ in its proper context.

The WRU’s approach to “negotiations”

Throughout the response from the WRU words such as ‘negotiation’, ‘collaboration’ and ‘discussion’ occur regularly – indeed they, or their derivatives, occur more than 12 times. However the rhetoric is not necessarily matched by what is seen by many as the reality of the situation. A ‘Participation Agreement’ would suggest that it is agreeable to both partners.

Equally any extension of such an agreement would presuppose debate, discussion and agreement. The suggested readiness to negotiate does not reconcile easily with the statement of one regional CEO at a recent meeting with the WRU, who stated that the regional representatives were told that the Participation Agreement document was on the table for agreement only and not discussion. This is, in our view, a curious form of negotiation. As stated the PA was not agreed on the last day of the year and the WRU suggest that 6 months of potential negotiation were lost – a curious form of negotiation. The WRU suggestion at the time was that it was all over, however seven days later a new, and very lengthy, document suddenly appeared.

Governance versus Control

The WRU's view of its role and status bears some examination in terms of its implications. The need for appropriate governance arises from developments in the business world which necessitate better controls in businesses, particularly in businesses where ownership is disparate, as is the case with WRU. As those in charge at the WRU were respected in the sphere of amateur rugby where they had great experience in the field. However the world of rugby changed radically with the emergence of the professional game that operates in a demanding business environment. But has the WRU changed? The change in the status of the game clearly emphasized the need for a different relationship to be developed - and quickly. However at the WRU the same people are still there on the new Board of Directors. Yet they have moved rapidly towards a new definition of relationships - the new perception is not one of governance, but of control. The WRU, it would appear, wants complete commercial control of the game in Wales. Here we enter a completely different context as the control position proposed is considerably more than simply governance of the sport. Here the personalities involved become key to the value and indeed the validity of the proposed change. The current Directors of the WRU are a Chairman who, it is claimed, has extensive business experience, two National representatives – one with business experience and the other a respected former player who has had involvement in business and public bodies, the other directors – the majority - are representatives of the clubs at District level and many have been there since the amateur days. It is now intended that they, through their officers, should have complete commercial control of the game as well. In contrast the regions are led by business men who have wide, successful experience in business – within Wales – and who have put their own money into the game that they love. Surely this is also acting 'in the best interest of Welsh rugby' – something apparently prized by the WRU? The directors of the WRU were eminently suited to the governance of the game in its amateur era, however they have little or no business experience of the type that can decide strategy with big contracts.

Fitness for purpose

The WRU is a private association. It has a business arm to deal with necessary business that forms a part of its activity brief. We take the view that, given the WRU's size, income, assets and market value, there would be a completely different group of directors with a markedly different skill-set. In a world where there is the ownership of a massive stadium with its mortgage to manage and TV contracts involving millions of pounds to negotiate, is it not unreasonable to question the fitness for purpose of the present board of the WRU? There is a dearth of appropriate experience in the business field which severely limits the Directors' contribution in many situations and, at the same time, enlarges the power vacuum to be filled

by officers. Perhaps the greatest indictment of the WRU is that it didn't change when the game changed. As a result of the inertia that accompanied the failure of the WRU to recognise the change in the climate of the operation that followed professionalisation, there is no representative of the professional game in Wales at Board level. Thus there is no representative at board level of the organisations that employ over 600 professionals working in rugby, and manage the academies that are key to the future and produce the stream of players needed by Team Wales. In the circumstances it is ludicrous that the WRU wants to control their activities without even allowing them a voice. The WRU will point no doubt to the panel set up to deal with the professional game, but will neglect to observe that they have also effectively emasculated it.

While the WRU is a private company and a business, it also performs a public function, given its permeating role in Welsh society. It is perhaps best viewed as a quasi-public body. As such, the decisions taken by its board should be subject to greater scrutiny and accountability in the same way that public bodies are. In our view it is the duty and function of government bodies and, if appropriate, the judiciary, to provide such scrutiny. We fail to see how the current board could possibly stand up to the even the slightest scrutiny: the board is wholly deficient in terms of appropriate qualifications and business experience. Such deficiencies are manifest in the board's abject failure to prevent its CEO from pursuing the single-minded assault on the regions – the issue which sits at the heart of the current crisis.

Central Contracts

Much is made by the WRU of central contracts as though it is a single concept. Manifestly it is not, as there are as many different types of central contract arrangements as there are organisations that use them. It is not a single identifiable concept, but a handy term that is used as a short hand description of a variety of styles of operation. The implementation of central contracts requires proper planning and the agreement of all involved in order to be effectively implemented. It will only work if it involves the whole squad of international players and will be a disaster if it only applies to a favoured few. When all that is agreed and there is adequate funding to bring it into operation, then the arrangement becomes one of the various forms of viable operation. However without those pre-conditions there is no situation in which it will be either acceptable or effective. The present proposal - to offer it to a limited number of players - screams out for answers to some key questions –

- Will the centrally contracted players be given precedence in selection to justify the expense?
- What will happen if a centrally contracted player has a loss of form? Will he still be selected anyway?
- Is the WRU actually bidding against its own regions for players?
- Where is the money coming from?
- What message does the arrangement send out to the current rugby internationals of Wales? Does it tell them that they may be good enough to play for their country, but not good enough to be considered worthy of a central contract?
- Where will they play their 'club' rugby if an agreement is not concluded with the regions for them to be loaned back to regions in Wales – will they have to be loaned out to England or France?

When a new situation leaves you with more questions than answers, you do not have a policy or a strategy – you have a knee jerk reaction that is designed to capture media attention and a clear sign that those responsible may be making it up as they go along. There is a major concern for the sport in all this - many have legitimate fears that the proposal is divisive within the playing squad and that is bad news – especially for Team Wales.

Conclusion

At the moment what we need is cool appraisal of what ‘is best for Welsh rugby’ - defined in the widest sense and we would respectfully suggest that such concern is not limited to the WRU. What we do not need now is reckless brinkmanship and the use of the media to spin biased points of view to the public. I am sure that the irony of the occasion was not lost on you, when the CEO of the WRU stated that the WRU was not negotiating through the media and actually stated it in an interview the radio! We also do not need an attempt to starve the regions into submission by denying them the money due to them by contract. Sadly, it was a tactic that we know only too well in Wales – it was much loved by the colliery owners who wanted to starve their workers into submission...

The relationship between the game of rugby and the people of Wales is unique. The relationship changed, in some ways, with the advent of the professional game. The current actions of the WRU will further distance the game from the people of Wales and that should be a matter of concern for yourselves at the Assembly.

We have seen it as important that you should know that there are two sides to this debate and we believe that it is important to make you aware of that fact for another reason. It may have been brought to your notice already that the only evidence in the media that there is any coherence in the regions’ contentions, and that there is a different point of view to that of Mr Lewis, comes from the media outside Wales – a fact that, in our view, deserves to be properly noted and pointed out to you. In a country that prides itself on its democracy, it is less than acceptable that its people are dependent on the media in England for a fair case to be made. The media inside Wales, in all its guises, only seems to report what they are told by the WRU and we find that both sad and regrettable on the one hand and a palpable lack of an even handed approach on the other.

Yours sincerely

Dan Allsobrook

Neil Harries

Alun Morgan

On behalf of the members of Gwladrugby.com