

INTRODUCTION TO THE WAY FORWARD

Background

The structure of Elite Rugby in England is currently governed by two major agreements: the Long Form Agreement ("LFA"), signed by the RFU, Premier Rugby Limited ("PRL") and the Premiership clubs, Premier Rugby Partnership ("PRP") and England Rugby Limited ("ERL") in 2001; and the Elite Player Squad ("EPS") agreement entered into by the RFU and PRL in June 2004. These agreements cover a broad range of areas including the structure of the domestic league and cup competitions, entry criteria for Clubs into the Premiership, discipline, player contracts, EPS player release (covering the senior squad, Saxons and junior representative teams), insurance, commercial rights and financial arrangements. The EPS agreement will expire in October 2007 and notice can be given to terminate the LFA from June 2008, which would mean that the LFA would expire 12 months later.

The LFA worked well initially, but it has not been able to provide lasting solutions to the developing game requirements in recent years. The EPS Agreement, which was drawn up as the plan for preparing for RWC 2007, has not been a success and has resulted in frequent 'club v country' disputes. The RFU is clear that, even if no structural change were to be made, any new arrangements would need to be different in a number of ways.

The RFU's preference is to negotiate a new agreement with PRL and other interested parties, to come into effect at the start of the 2009/10 season once the LFA expires. However, in order to plan for the transition from a playing and financial point of view, the RFU believes that, ideally, any such new agreement needs to be in place prior to the start of the 2007/08 season.

If a negotiated settlement cannot be reached, the RFU, as the Governing Body for the game in England, has a constitutional responsibility to determine how the elite game should be structured and governed for the benefit of the entire game, following the expiry of the current agreements. The Way Forward process will put the RFU in a position to make this decision if required.

The objectives of The Way Forward

The RFU has established a clear set of objectives to drive the successful future of Elite Rugby in England, which are as follows:

- Protect the safety and welfare of players;
- Secure the financial viability of the game and improve its prospects; and
- Increase participation at all levels of the game across all regions.

The RFU believes any solution must:

- Take into account the interests of both club and country;
- Be right for professional players and for the wider game; and
- Restore Elite Rugby in England as a leader of the world game.

Progress so far

The RFU commenced The Way Forward project in 2006. The first phase of the project was to complete a comprehensive factual analysis of Elite Rugby in England. This has been completed and an extensive Fact Base and an initial Discussion Document were published on 9 February 2007 (available at www.rfu.com). The purpose of the Fact Base and the Discussion Document was to provide an objective and informed view of what is and isn't working within the current structure of the elite game and these documents set out the RFU's 14 preliminary findings from the analysis. During the consultation which has taken place since then, a further four issues for debate have been highlighted. These eighteen findings are detailed in Appendix 1.

Following discussion with the game's major stakeholders over the last three months, there is broad consensus as to the need for change in the following principal areas: better management of player welfare, better governance of the game, more effective arrangements for pre-tournament preparation and player release through international tournaments for the England

team, greater commitment to England Qualified Player ("EQP") development and the important role which National Division One should play in supporting the elite game.

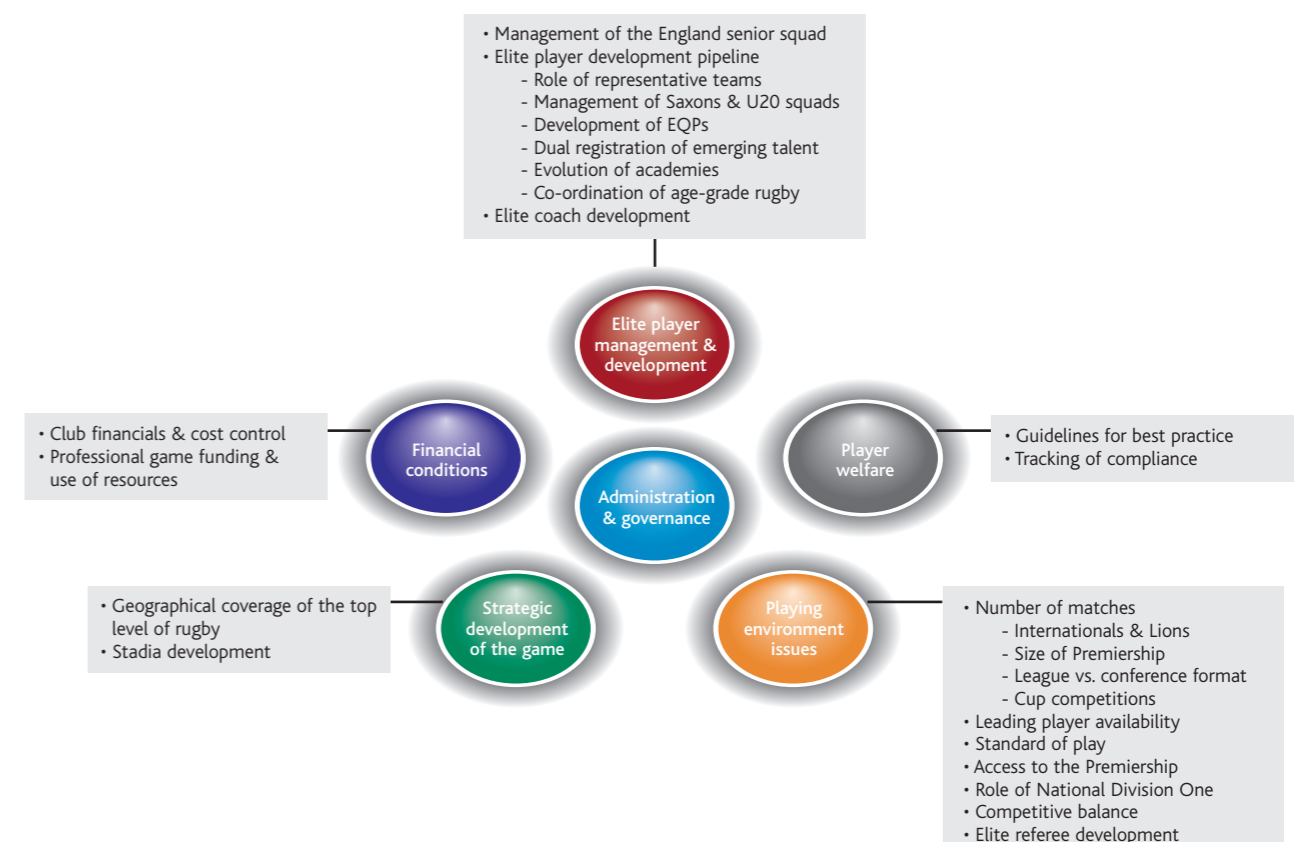
In a number of other areas, a consensus has yet to emerge, in part because the issues are more complicated but also because they would involve more fundamental change. The critical issues to be discussed include management of the EPS squads; potential for relieving fixture congestion by adjusting the number of games and/or number of teams and/or competition structures; ensuring that access to the top level is realistic, equitable and fair; and also how the top level should be developed over time in terms of geographical reach and competitive balance.

The foundations for a new solution - England and professional club success

England performance has declined since the Rugby World Cup in 2003. A successful England team materially affects the level of interest, participation and the finances of the entire game in England. Given the importance of the performance of the England team, the structure of the game and decision making priorities should facilitate national team success in the near term as well as ensuring an effective player development pipeline to ensure continuing future success.

In addition, any change to the structure of the elite game in England needs to recognise and build on the success and traditions of the professional club game.

The individual issues are complex and often interrelated. It is clear that any potential solution is not straightforward. The diagram below sets out a framework for considering the key issues to be addressed.



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Summary of the principal issues affecting Elite Rugby

Elite player management and development

- The current arrangements for England squad training, player release and the associated club compensation for “loss” of their leading players while on England duty are the source of considerable tension and frustration to all parties
- Currently, the elite player development pathway is not clearly defined and understood; also, the various supporting structures do not optimise the development of talented emerging players
- The number of overseas coaches at the top level highlights the need for a more structured career planning framework and professional development programme for English coaches and better succession planning for the England coaching team.

Player welfare

- Survey findings suggest that the majority of players think they are asked to play too much rugby, the severity of injuries is increasing and there is pressure to play when injured. Player burnout statistics give cause for concern
- Player welfare management must be a top priority for the professional game; however, implementation of change is being hindered by structural difficulties and conflicts of interest.

Playing environment issues

- The high number of matches and the associated congestion and fixture overlaps have profound effects on the game at club and international levels. Reducing the number of matches would have benefits for the game, although clubs are concerned about the loss of matchday income
- The RFU, players and clubs agree that access to the top level of club rugby is essential for the wellbeing of the game. However, given the entry criteria for the promoted club and the financial arrangements which support the relegated club, the current model of promotion and relegation gives little real opportunity for clubs outside the so-called ‘thirteen’ Premiership clubs to be promoted, and cannot be considered to be ‘automatic’
- The role of National Division One in the elite game is currently unclear. There is widespread agreement that National Division One clubs could make an even greater contribution to elite player, coach and official development.
- The current measure for maintaining the competitive balance and also for controlling industry cost - the salary cap - appears not to be working effectively
- There needs to be a better system for identifying, developing and supporting the talent pool of elite referees and other match officials.

Strategic development of the game

- The current top level of professional club rugby does not have teams from all rugby heartlands (e.g. Yorkshire, the South West, West Midlands and the South East are all under-represented)
- There is a need to attract investment into the sport, particularly to support stadia expansion and development. This is critical for the future financial viability of most professional clubs.

Financial conditions

- The sources, amount and use of funding for the elite game should be reviewed in order to determine whether better use could be made of the money and to create a more stable environment at each level. The balance of RFU funding between Elite Rugby and Community Rugby may be impacted by some of the proposals described in this document and the appropriate level of funding for each level of the game needs to be debated.

Administration and governance

- There needs to be a new structure for managing the game, one which is much simpler, is more effective and efficient and removes overlaps in responsibilities

The sections which follow highlight the reasons why current arrangements in each of these six areas are not working and explore the potential solutions which might be pursued. Each section concludes with a set of suggested questions for debate.