

## JSG Cymru– WRU MEETING 26<sup>th</sup> June 2024

Virtual meeting – MS Teams

### Attendees:

WRU: Abi Tierney (CEO), Nigel Walker (Executive Director of Rugby), Malcolm Wall (Chair of PRB), Simon Rimmer

JSG: Barrie Jones (Crys 16); Gareth Storey (Crys 16); Dan Hallett (Dragons Official Supporters Club), David Allen (CF10), Hugh Campbell (CF10), Grant Berni (Ospreys Supporters Club), Sarah Collins-Davies (Ospreys Supporters Club), Simon Harrington (Cardiff Blue & Black Supporters Club).

Minutes: Sally Carter (CF10)

Apologies: The group offered best wishes to Cathy Green who has been in hospital.

New members: David Allen was attending to represent CF10 in place of Lynn who is in Australia. Sally is also here from CF10 to take notes of the meeting.

The meeting commenced at 6.35pm.

### Agenda

#### 1. Strategy Report

The main issue to be discussed in this meeting is the high-level strategy that the WRU launched today. This meeting will focus primarily on the parts of the strategy of most relevance to the clubs and regional rugby.

- Abi Tierney introduced ‘One Wales’ – a strategy that encapsulates the whole of rugby in Wales from grass roots to international level.
- The process of creating the strategy has been as collaborative as possible and has included supporters. Abi Tierney thanked the JSG for the SWOT analysis which has fed into this strategy.
- This will be a living document and KPIs will be produced, and progress tracked.
- “Where Rugby Matters More”. Rugby is in the DNA in Wales and the strategy needs to unite people behind that passion. That will help us overcome hurdles and make the most of opportunities. The aim is to unite people and to work together to inspire and create opportunities for all at community, school and pro level.

### Five Goals

The goals cover the period up to the end of 2029 which will include the 2<sup>nd</sup> cycle of the Women’s world cup.

1. Men’s and Women’s national teams consistently ranked in the top 5
2. Club teams challenging in the play-offs of URC / Celtic Challenge
3. Retain and grow the number of active participants
4. Financial sustainability at all levels of the game
5. Increase the percentage of the Welsh public positive about Welsh rugby.

### Four pillars

The goals will be supported by 4 pillars:

1. Develop inspiring, competitive clubs and national teams
2. Foster a thriving and sustainable community game
3. Accelerate the development of the women’s and girl’s rugby ecosystem
4. Capture, engage and grow our Welsh rugby audience through positive brands, experiences and narrative.

There will be more detail, action points and KPIs behind each pillar. This is very much a living document.

### Enablers

Each pillar has linked enablers, and everything will be data and insight lead.

For example, pillar 1 “Develop inspiring, competitive clubs and national teams” has a series of related goals:

- ensuring the national team is consistently ranked in the top 5,

- national teams capable of competing for honours in the 6 Nations and RWC,
- consistently competitive clubs that challenge in the play-offs of their competitions,
- and more and better players for the professional game

These feed through into core objectives:

- drive two inspiring senior Wales programmes
- deliver outstanding development environments
- collaborate to build capacity and deliver a coherent player development ecosystem.
- Implement aspirational competitions at each phase of the player journey

In order to meet these objectives there is recognition that some areas such as supporting 7s rugby will have to have a reduced focus and that some male marquee players should be allowed to pursue opportunities overseas if there is no compelling offer in Wales – as is covered by the current ‘25-cap’ rule.

Nigel Walker spoke in more detail about the Professional game and the planned developments in this area:

- The aim is to develop inspiring, competitive clubs.
- Changes have already been made with developments such as Super Rygbi Cymru.
- There will be an emphasis on developing the youth game, with the clubs acting as a finishing school for identified young talent.
- Regional clubs must have a group of home-grown players that they can draw from.
- A key aim is for Wales to consistently be a top 5 nation in world rankings. The feeling in the WRU is that it is all about having the systems in place that allow us to peak at the right times. This is ambitious but realistic.

## 2. Finances

Malcolm Wall spoke about the financial implications of the strategy.

- We need to have consistently competitive clubs.
- There has been a big debate about the salary cap and the budget for the next season.
- We have developed a model that will allow all clubs to be competitive and nurture the game for players coming in at age 14 and all the way up to regional level.
- The WRU have had help from Portas Consulting to work out what funding we need to be competitive.
- £6 to £6.5 m is seen as the sum required (per club, per year). This has been agreed and worked through with the Professional Rugby Board (PRB).
- It is based on the concept of “what does good look like?” What do we need for funding and operational excellence, including coaching, facilities, and the overall package?
- We have identified a funding gap of over £29 million over a five-year period, which exists if this level of financing is to be achieved.
- The funding gap is the projected gap between our current competition and commercial funding and what we have agreed is required to make our clubs competitive.
- We have to look at ways that we can reduce this funding gap. Can we be better commercially? Can we achieve better competition income? Can the WRU increase its investment in the regional game and what are the external funding opportunities?

Large sums of money have been talked about in the media. Abi Tierney explained where these figures have come from.

- There is a £1.45m funding gap per club per year to get to ‘what good looks like’.
- There is the existing £20m debt which they are looking to re-finance in the autumn with better payment terms.
- At the simplest level we are spending more money than we are bringing in annually and the difference is approximately £15m. This has been covered by CVC money but this is important to note because the receipts from this CVC investment will stop in 2026.
- Unless we can reduce this shortfall the game in Wales will not be sustainable.

Gareth Storey asked how this funding gap has come about?

- Covid took out our major income stream (at an estimated cost of £30 million); TV money and income flatlined in the years following but costs have continued to rise along with the general cost of living and inflation.
- Abi Tierney accepted that the WRU didn't respond quickly enough to this change.
- It was accepted that changes at a senior level in the organisation did not help the financial situation. However, the WRU emphasised that this did not have a major impact on the overall financial situation.

Hugh Campbell asked how our proposed budget compares to other teams in the URC.

- Malcolm Wall stated that the WRU have benchmarked against other clubs, and it is reasonable. It is not at the top, but it gives us a fighting chance.
- We are not spending as much as the Irish clubs, but the IRFU want to keep all their players within Ireland which we have already accepted is not attainable in Wales, though the ambition is for the majority to be retained in Wales.

David Allen asked if it was definitely the case that the difficult decisions about funding the professional game would be made in October.

- Abi Tierney responded that a paper outlining the future of the professional game in Wales will be taken to the Board by October to give clubs a degree of certainty for the contracting period 25/26.

David Allen pointed out that it is going to be a very difficult 6 months. At the moment all clubs agree that something drastic needs to be done but our current unity may disappear when the proposed cuts are aimed at individual clubs.

- Malcom Wall agreed but said there had been a recognition that the status quo is not sustainable.
- That doesn't mean the solution has to be unnecessarily extreme, and it doesn't mean that the only solution is to lose a region.
- Tomorrow there will be a presentation of the WRU's business plan, signing off what the costs are, what the funding gap is, and the work needed to bridge the gap.
- There will then be 6 weeks to confirm that this plan can work before more options need to be considered.

Sarah Collins-Davies asked what the clubs and regions will have to work towards in terms of KPIs.

- Abi Tierney noted that there are two different things here: the structure needed to achieve the overall goals, and the KPIs that will fall out of this to allow these goals to be met.
- If we change the regional structure the WRU will work with the Regions in parallel to ensure we meet the required standards.

Gareth Storey asked if Portas will be involved long term and what impact this will have financially?

- Abi Tierney said that Portas are excellent value for money and have brought a great deal of knowledge and a huge database of information.
- The WRU will want to use them again for targeted work going forward.

In conclusion Abi Tierney stated that "This will only work if we can unite the whole of rugby behind it". The WRU will continue to work with the JSG and the fans are an important voice within that as we strive to make a genuinely world class game in Wales. If we want to win consistently, we need to have this structure in place.

### 3. Judgement Day

The meeting now turned to reflect on the latest Judgement Day and what the long-term future is for this fixture.

- A detailed and robust discussion took place on the recent Judgement Day event @ CCS.
- Members of JSG who attended this event reviewed their experience and suggested improvements for supporters.

- WRU are committed to the event for next year. The date has been set and it will take place at the Principality Stadium. The planning for this year is way ahead of the normal schedule.
- Malcolm Wall asked if we could keep this as a standing agenda item and would welcome feedback from JSG on future plans. Abi Tierney agreed that it would be good to engage with fans to get a better idea of what we want and to help curate future events.

NB The rest of this section is redacted due to commercial sensitivities of the matters discussed, but a welcome and healthy debate was held.

#### 4. Additional Income

Dan Hallett asked about additional income streams. There have been a number of high-profile concerts in the stadium this summer. Is this the kind of revenue that can be a game changer? Are the Parkgate Hotel and SCALE performing to a level that will make a difference?

- Abi Tierney responded that SCALE is still too new to report back on.
- The hotel is exceeding against forecast but there is a large mortgage that needs to be paid and the cash generated currently needs to be retained to maintain upkeep of the building. However, the hotel is an asset on the books and the cash it generates will be able to be used for rugby in the longer term.
- The concerts have each exceeded their income targets for food and beverage, although there is a need to increase profit margins. The WRU makes money from food, beverages but not as much from merchandising for example, so it is important to build the margins on these as far as possible.

This year two of the autumn internationals are Sunday games. Was this dictated by TV, and will it be detrimental to income?

- Abi Tierney said that this is partly a knock-on impact of not performing well. TV doesn't necessarily want to give us prime time slots, in the same way.
- Nigel Walker pointed out that there are swings and roundabouts from year to year as to which days get allocated to which teams in the Six Nations and, taken overall, the scheduling is generally fair to all parties.

#### 5. Rafferty Report and Related Issues

Sarah Collins-Davies asked a number of questions on behalf of Cathy Green relating to the Rafferty report and the commitment of the WRU to observe the recommendations, and also whether the recommendations applied across the board, including the national teams'

This section has been redacted due to the sensitivities of the matters discussed and in order to respect the privacy of individuals.

In summary, the WRU takes these issues very seriously and is working every day on building and evolving its culture. JSGCymru expressed concern regarding several specific issues. It was agreed that the HR policies at the WRU need to be continually updated and the right balance between transparency and duty of care to individuals should always be struck.

#### 6. Closing Remarks

- David Allen asked if there is anything the JSG can contribute to this process going forward? Can we be helpful as a sounding board for ideas?
- Abi Tierney stated that they are keen to keep supporters updated and she would like to think more on the role the JSG can play.
- Abi Tierney felt that today's discussion about Judgement Day has been much more valuable to her than simply using these meetings to give us presentations. She would like to find a way that this can become a more meaningful exchange of ideas, even if sometimes this may require a degree of confidentiality.
- The Strategy will not be successful without the support of the fans.
- Abi Tierney asked if this is something we could return to at the next meeting when she has had a chance to formulate some concrete ideas and proposals. The JSG was happy with this.

#### 7. Date and Time of next meeting.

**We will look to hold the next meeting in October, possibly before the announcement of the more detailed strategy.**

**The meeting closed at 19.50pm.**