

Joint Supporters Group & Welsh Rugby Union Quarterly Meeting

Date: 18th August 2021

Time: 17:30-19:00

Location: Zoom Call

Agenda

1. Finance Update
2. Dragons Ownership
3. URC Update
4. Women's Rugby
5. AOB

Present

WRU: Steve Phillips, Mark Killingley

Ospreys Supporters Club: Grant Berni, Cathy Green

Crys 16: Barrie Jones, Neil Bathgate

Dragons Supporters Club: Dan Hallett, Ryan Price

Cardiff Rugby (Blues) Supporters Club: Simon Harrington

CF10: Lynn Glaister, Huw Jones

- BJ opened proceedings and thanked SP and MK for meeting with JSG. He also thanked GB for volunteering to take minutes.

1. Finance Update

- HJ asked for an update on the Coronavirus Large Business Interruption Loan Scheme (CLBILS).
- SP said it was taking longer than they were expecting or hoping, but the WRU and Welsh Government (WG) were working closely together to resolve as soon as possible for the benefit of the game in Wales. Deloitte were undertaking due diligence on affordability. SP hasn't spoken to Ministers yet but will raise the issue at a meeting with the Sports Minister, Dawn Bowden at the end of the month.
- SP noted that the original aim was for completion by 1st July when the first repayment to NatWest was due. He was now aiming for resolution by 1st October when the second repayment was due.
- HJ asked if the WRU had picked up the first payment due in July.
- SP indicated that the WRU had picked up the first quarterly payment of £1.25m. Out of the £20m CLBILS refinancing package which he hoped to achieve from WG, the £1.25m would go directly back to the WRU to cover the July payment.
- HJ asked for an update on the CVC deal.

- SP explained that the deal had been cleared by the Competition and Markets Authority, and it was now going through the document execution stage with CVC, aiming to complete the legal process by the end of September.
- HJ asked SP to confirm the Pro Club funding of £23m for the coming season.
- SP noted that 2020/21 season's funding had increased from £3m to £5m due to changes in circumstances and that the next two years funding should be £23m and £23.5m respectively barring major changes in circumstances again.
- HJ asked if this level of funding was sufficient to allow clubs to achieve their objectives in the URC and European Cup.
- SP stated this was the best they could do & that there is an internal debate on how to give all the teams the best chance of success. The ongoing conversation about whether a specific number of clubs are pushed for success is ongoing and depends on strategies agreed.
- SP noted that it was unrealistic to get 4 teams into the Champions Cup but there must be Welsh representation – and that we definitely need 1 if not 2 teams in the Champions Cup
- SP noted that PRB must be pragmatic, or we will all fail.
- BJ asked SP if this strategy is financially driven.
- SP responded with a definite yes – and that it may be different if there was £50m of funding per season.
- SP gave Leinster as an example of how a single club is pushed by its home union for success in Europe.
- BJ expressed concern that there has to be a limit in the number of teams pushed for European success and asked SP if we are limiting ourselves.
- SP noted again that the number of teams needed to be agreed and that the objective to get to the latter stages of the European Cup relied on a) money and b) quality of playing squads
- NB asked if the distribution model was the same for the coming season. SP confirmed that it was and would remain so until PRB agreed to any changes. He was currently drafting a paper for their consideration for possible implementation in 2022/23.
- MK noted that typically contract negotiations generally take place in January. Any uncertainty makes planning difficult, so the existing funding model was in place for 2 years.
- CG expressed concern that as a passionate group of supporters, it was hard to hear that 1 or 2 teams may be pushed for success & that it's crucial to get supporters back into grounds after the pandemic. CG also suggested that if it is clear that other regions are being favoured to such an extent, that leverage will be lost in encouraging supporters back
- SP noted that this was understood, and that the existing funding mechanism means that teams will get different shares of the £23m - the model is equal opportunity – not equal funding.
- CG acknowledged that she knew this was the case and added that what SP had described sounded as if the funding difference were going to be very much wider than they are currently.
- MK noted as an example that Leicester City found success with ½ of the budget of the larger Premier League teams, and cited Connacht and Scarlets as examples in the Pro12 and posed the question “Why do you think that money is so linked to ambition and is so fundamental to clubs?”
- CG asked MK to consider what he/SP had said earlier, regarding potentially funding one or maybe two Regions much higher than the others, to try to ensure

Welsh representation in Europe as that thinking indicated that they too must believe that money is linked to success. In addition, CG acknowledged the successes from the clubs, but added that it is clear that underfunded teams win the league or win in Europe far less than, for example, Leinster. The challenge was continuous success and required money.

- CP questioned why potentially one or two teams would be pushed financially - it was generally accepted that funding helps lead to success
- SP noted that funding drives squad quality & that for the next two seasons, European Cup representation was guaranteed through the best Welsh club.
- LG stated that if one or two teams are funded more, the team would supply more players to Wales and secure more funding & this just repeats.
- SP noted that the funding helped secure squad backfill and that also the new URC has reduced club vs country clashes with the intent to reduce, not guarantee avoiding clashes
- RP asked SP if the change to funding required PRB approval.
- SP responded that it was not something the WRU would do unilaterally.
- HJ expressed concern that the UK Sport approach of “Where can we get success?” results in pumping money into one team that becomes elite to the detriment of others.
- SP agreed with HJs point on elitism and reinforced the message that this is an ongoing discussion. SP stated that the idea is that rewards from the successful team come back to all and not to make the rich richer.

2. Dragons Ownership

- DH stated that conversations with Dragons suggested that work was completed and they were keen to get the deal over the line.
- SP stated that the right basis of the deal was still being debated and could not give a fixed timeline.
- SP noted that the conversation concentrated on what was the right deal and what was the right structure.
- SP stated that the aim was for a neutral transaction & was not looking to sell for profit nor to take a loss.
- DH expressed concern that WRU ownership caused concerns for the other 3 teams and that they are just as keen to see ownership resolved.
- SP offered to leave this as a standing agenda item to give updates until resolved.
- **ACTION:** JSG to include Dragons ownership on future agendas through to conclusion
- HJ asked SP about rumours of moving a region to North Wales
- SP expressed surprise and noted it was not anything he'd been party to.
- SP noted that North Wales is important but there has been no conversation about moving a particular region to North Wales.
- SP noted that there is an ongoing strategic question about how North Wales is serviced but it's not being addressed right now.

3. URC

- CG stated that it was not a secret that many supporters were unhappy with how the Pro14 had been run and that URC now have a real opportunity to get supporters onboard.

- CG also noted that whilst marketing was good, PR was poor, giving the lack of information on fixtures that fans were asking for as an example of the void that was being left for others to fill with rumours. CG expressed that she knew it must be extremely difficult for URC to confirm fixtures, given the current travel and other COVID-19 related restrictions, but by not engaging with supporters and for example explaining the reasons for the lack of fixtures with perhaps a progress update, was causing unrest and has the potential to alienate supporters before the league starts.
- MK noted that sports organisations tend to have either having a marketing or a communications bias – and that is it rare that organisations get the balance entirely right.
- MK noted that the WRU favours comms approach to satisfy the need for information right through from junior rugby to the professional game.
- MK noted that he had congratulated URC on their work & was sympathetic with the league that fixtures could not be released any quicker due to the pandemic.
- MK noted that he has spoken to URC about inviting CEO Martin Anayi to the next JSG WRU meeting and this was agreed by JSG.
- BJ noted that there are nearly as many home internationals as home URC games next season
- CG noted that SA media had stated SA could play their home games in Italy or Ireland & that it had been reported by WOL that Welsh derbies had been arranged for the week before Wales v New Zealand – weakening teams for a fixture which usually generates the most interest and anticipation and where they would usually make most of their money. CG believes it is critical to the Regions not to jeopardise this, particularly in the current climate.
- SP noted that arranging derbies before the Autumn International window would impact all countries and not just Wales
- **ACTION:** MK to feed back supporters views on PR to URC
- CG asked if there is a Judgement Day event planned for the upcoming season & if the regions get the profits.
- SP stated that if there was a request from the pro teams for the event, it could be accommodated.
- MK noted that the distribution had changed at the last JD to a more even split of proceeds after previous years where profits went to the nominated home teams.
- **ACTION:** MK to feed back on Judgement Day 2021/22
- HJ noted that the WRU had equity ownership of Pro14 and represented the pro teams on the league. It had recently been announced that the 4 Welsh teams would now have representation at URC along with the WRU and HJ asked if the teams would now have any share in URC?
- SP stated that there is regular engagement directly between the teams and URC but that URC was a union led competition and there had been no conversation about equity transfer.

4. Women's rugby

- GB stated that at previous JSG WRU meetings it was noted that the WRU had recognised the need to diversify from just concentrating on men's 15's rugby to develop other formats of the game including women's, 10s and 7s formats.
- GB gave the recent decision of Swansea RFCs women's team to disband as an example of a failure to develop the women's game in Wales.
- MK noted that a Welsh Government official had had the same conversation with him.

- MK stated that the WRU allowing international women to play in England was a COVID-19 driven decision to allow players to play competitive rugby rather than no game time at all in Wales.
- SP noted the requirement to broaden the appeal of the game. However the focus of the independent panels remit was reviewing of the strategy for the women's elite game.
- SP noted that the WRUs work on the women's game had not been good enough in advance of RWC 2022 and that a lot of his time has been spent on this recently.
- SP started that participation in girls' rugby had been overwhelming post pandemic and that development of a performance pathway and strategy falls under Nigel Walker's remit as WRU Performance Director.
- DH asked if the regions had been approached as part of the independent review.
- SP stated that the regions had not been approached yet and they were working their way through the report.
- MK noted that there would be communications in a few weeks' time about women's rugby.

5. AOB

- MK asked the JSG members for their view on URC
- GB stated that URC started well & addresses the issues associated with Pro14. Initial season ticket sales appear to be excellent with the core supporters eager to get back to live rugby, however URC will let themselves and supporters down if fixtures are not addressed quickly - potentially stopping people investing in season tickets if they are still undecided.
- HJ noted that people really want to support their teams and that all clubs had many supporters leaving the balance of their 2019/20 season ticket value with their club.
- HJ noted that one off ticket sales will still be a challenge.
- MK noted that he thinks regional supporters have a real affinity with their team and can be far more hardcore than people attending Wales games where there are a lot of event goers.
- CG noted that she regularly goes to regions and Wales games, but she doesn't go to a Wales game thinking she spends money on a ticket to financially support the WRU, unlike her investment in her region
- NB asked if Rob Butcher's 1 year term due to covid was still the case.
- SP noted that the next WRU AGM was in November and the normal process would be followed.
- BJ thanked SP and MK for their time

Date of next meeting: 1st December 2021