



From Good To Great

THE PLAN FOR
RUGBY IN ENGLAND
2005/06 - 2012/13



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"In my opinion, Rugby Union now provides an excellent example of how a modern, professional sport should be governed. As such, I am pleased to offer my support to the RFU and to endorse the aims and objectives stated in its eight year plan. I am certain that the Strategic Plan will help to ensure that the sport is run in the most effective way possible while remaining accountable to each of its many stakeholders."

Rt Hon Richard Caborn MP, Minister for Sport

Introduction

In 2001, the RFU produced its first eight year Strategic Plan. We decided to publish our strategy for the management and development of the game as part of the RFU's open approach to governance and to ensure we become accountable to the many stakeholders in rugby.

We set out a series of objectives for the game in three core areas:

- the elite and professional game at international and Premier Club level
- the development and growth of rugby in the community
- the governance and management of the sport.

Some of these objectives were bold. We are on course to achieve, have already accomplished or have bettered many of them. The objective which gained the most publicity when it was announced was our desire to reach at least the semi-finals at the 2003 Rugby World Cup. Our achievement in going one better than this has, of course, given huge impetus to our efforts in other areas.

Every organisation, however, has to take stock at regular intervals. Not only is it four years since the unveiling of our first Strategic Plan, but it is two years since that World Cup triumph. Because of this, we have taken the opportunity to take a comprehensive look at the game from top to bottom in order to prepare this new and revised Strategic Plan, which we have entitled 'From Good to Great'.

The title itself describes, in the clearest possible terms, our aspirations, and the Strategic Plan contains initiatives that have been developed in order to help us fulfil this ambition by the end of the eight year period in 2012/13.

Rugby is a sport about which a good many people care a great deal and, as such, we have ensured that the process of developing this plan was a consultative one. To that end, all of our member clubs have had the opportunity to participate through questionnaires and contributions to the 13 Task Groups which were set up to make recommendations. This process was not complete with the publication of the Strategic Plan. We hope that the discussion as to how best to run rugby in England will be ongoing and encourage everybody with an interest in the game to provide us with feedback and their own ideas.

The Strategic Plan itself runs to nearly 150 pages and lays out in great detail our vision for the sport over the coming years. Although a copy of the comprehensive Plan is available on request from the RFU or can be downloaded from www.rfu.com, this document presents the main objectives and strategies in an easy to read 'user friendly' format.

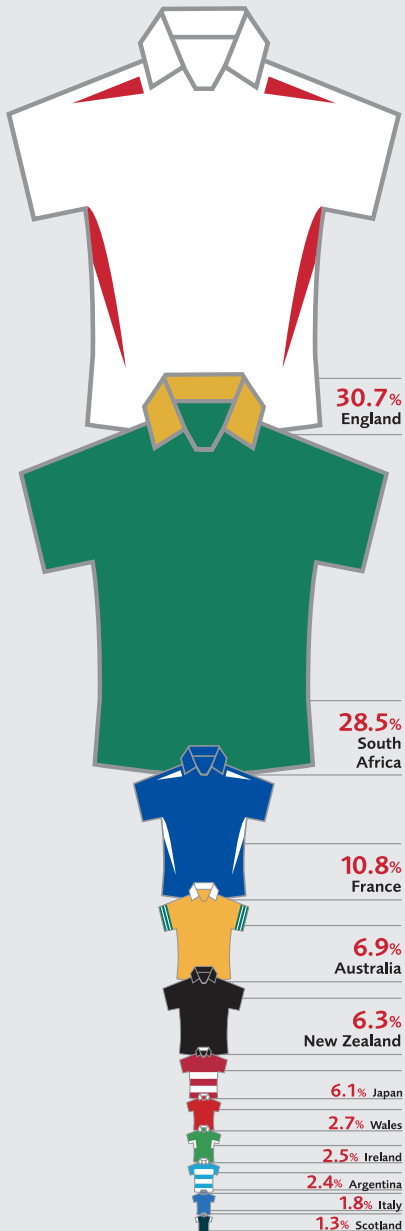
We hope you find the content both interesting and inspiring.



Francis Baron OBE
CEO, Rugby Football Union



Which nation has the greatest number of players?

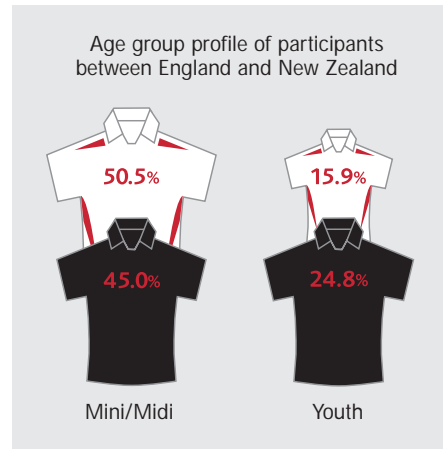


England's Position in the Global Game

England remains the largest rugby-playing nation in the world, just ahead of South Africa, accounting for nearly 31% of the participants of the top ten countries in the game.

If the number of participants is broken down by age group, there are areas of satisfaction and concern.

In England 50.5% of participants fall into the Mini/Midi category which is well ahead of other nations – New Zealand being the closest with 45.0%. The success of the RFU Mini/Midi programme is therefore generating a large pool of future players.



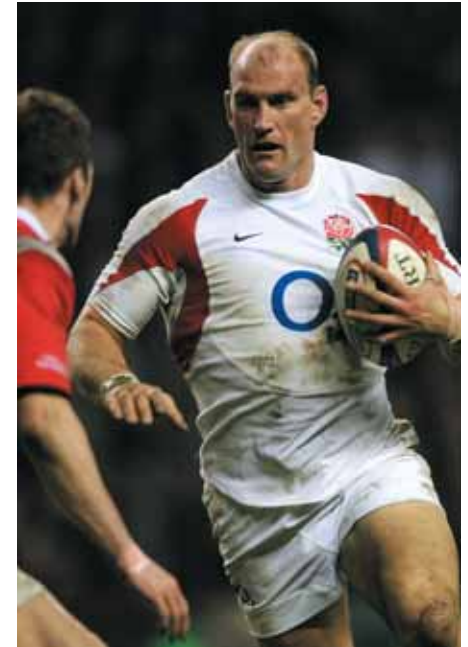
However, England has the lowest percentage – 15.9% - in the Youth category. This suggests that England suffers a heavy fall off after the Mini/Midi stage, especially compared to its international rivals. This is a concern and has therefore become a higher priority in our planning.

To grow and improve our game, coaching is a critical element in the mix. Although England leads the world with some 31.7% of all coaches in the top ten countries – we perform relatively poorly in terms of the ratio of players per coach.

Increasing the quantity and quality of coaches is an area to which we are giving more attention.

It is an old adage, but without referees you cannot have a game. England is some way short of Australia and South Africa, and of particular concern is the ratio of players per referee where England is the worst performing of the ten major countries.

Again, the identification, attraction and retention of referees and the need to invest in improving standards has been ear-marked.



England has 1,880 clubs, making it the largest rugby playing nation ahead of France and South Africa. However, we continue to look closely at the role of clubs within the community and in the overall growth and delivery of the sport.

Global Rugby Development

England is part of the international family of rugby and our success is linked to the growth and development of the international game.

As such, the RFU fully supports the IRB in its objective to grow the game globally and to encourage the 'developing' or Tier 2 nations to be effective competitors in future World Cups.

In order to achieve this, we believe that we need to be proactive in lobbying and pushing for change, and to be prepared to play an active part. We believe that the following measures are important:

- IRB development funds should be focused on a limited number of developing countries - those which have a realistic chance of breaking through into the professional ranks.
- Each of the leading Unions should enter into a five year strategic development agreement with at least one developing Union to provide non-financial resource, expertise and competitive matches. To this end, the RFU has entered into agreements with Rugby Canada and USA Rugby and has established the Churchill Cup as an annual North American tournament for the three countries plus invitational teams which is now entering its fourth year.

- To divide the international tours schedule into two tiers to balance commercially and financially attractive games (which provide competition and income) with the need for development (matches which help developing countries).





Government Policy

This Government has done more to support sport than any previous administration, and this is no better illustrated than by the support it gave to the successful London 2012 Olympic bid.

In turn, the RFU is a firm supporter of the Government's aim "to significantly increase the levels of sport and physical activity, particularly amongst disadvantaged groups, and to achieve sustained levels of success in international competition".

There are, however, some areas where the RFU is continuing to lobby for change to enable us to play our part. Forming part of the '4 Sports' group along with other major participation sports, football, cricket and tennis, the RFU is asking Government to consider:

- Increasing expenditure in sports so that the public investment in sport per head of population in the UK reaches that of the likes of France, Germany and Italy
- Increasing the share of Government sports funding that is routed through the sports' National Governing Bodies that meet the Government's 'fit for purpose' requirements rather than through the excessive number of agencies currently in place
- Reducing bureaucracy surrounding the provision of public funding to sport



- Improving the share of Sport England funding allocated to the '4 Sports' given that these sports form the basis for regular active sporting participation across the country
- Reviewing/revising Government policy on the taxation of National Governing Bodies. We believe that, as in many other countries, they should become tax exempt. Currently, investment in the grassroots of the sport is taxed. The more the RFU invests in grassroots sport, the higher its tax bill. This is illogical and unfair given Government policy on community investment.

Current policy in each of these areas has a significant limiting effect on our ability to grow the game of rugby to the level that we feel the sport demands and would achieve Government targets for participation.

Government funding of rugby union				
	02/03	03/04	04/05	05/06
Revenue	£0.9m	£2.5m	£2.4m	£3.1m
Lottery	£5.6m	£5.6m		
CCDP* & Matched Funding		£6.6m	£3.7m	£3.5m

*Community Club Development Programme

Club Development

Objectives

- Increase the number of adult participants by 2% per year averaged over the Plan period
- Increase the number of U17-24 participants by 2% per year averaged over the Plan period
- 50% of clubs to achieve Club Accreditation by the end of the Plan period
- 50% of applicable clubs to be registered as CASCs
- All clubs with Mini/Youth sections to have two links with local schools
- Increase the number of teams playing 'leisure' rugby by 5% per year averaged over the Plan period

We recognise that our clubs are the lifeblood of the sport. We also acknowledge that we face challenges in terms of attracting players to the game as well as ensuring we retain them as regular participants. This is particularly the case in the 17-24 age bracket, where many players are lost from the game for a variety of reasons.

The 2005/06 Strategic Plan places a greater emphasis upon this area than its predecessor. It is our stated objective to promote and develop the game within the community so as to encourage optimum

participation and enjoyment at every level. Ultimately, we want to grow the sport by creating a solid base to the playing pyramid that enables a player to play for recreation only or to rise to play at a competitive level which matches their ability. It is also important that we retain players in rugby as volunteers, administrators, coaches and referees so that the knowledge they have gained is not lost from the game.

To this end, we aim to develop activities that increase the number of U15 and U17 club sides participating in competitions, and to provide support for individuals by creating a clear pathway for player development. For the clubs themselves, we are going to develop a support package for those that field additional teams.

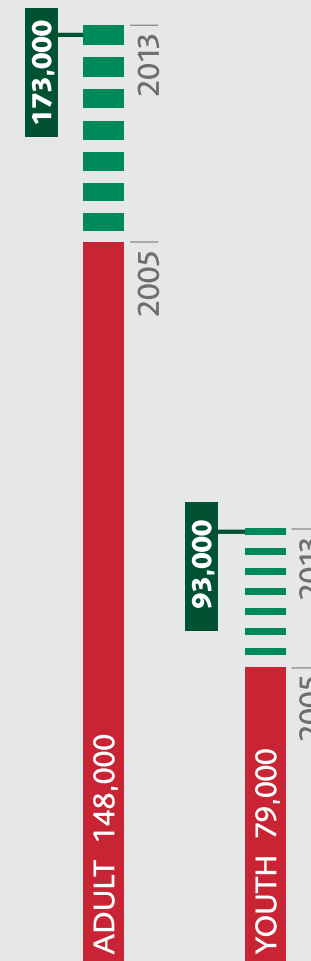
We also intend to review our competition structures, including knock-out cups, in the context of de-regulating wherever appropriate and possible.



We will implement a publicity programme to encourage and promote the registration of clubs as Community Amateur Sports Clubs (CASCs) in addition to implementing a Club Development Programme that covers Mini, Youth and Adult sections. Clubs will be encouraged to develop their links with local schools to increase opportunities for players at Mini and Youth level.

The 'Beacon Club' concept will be developed within the existing 'Club Cluster' approach.

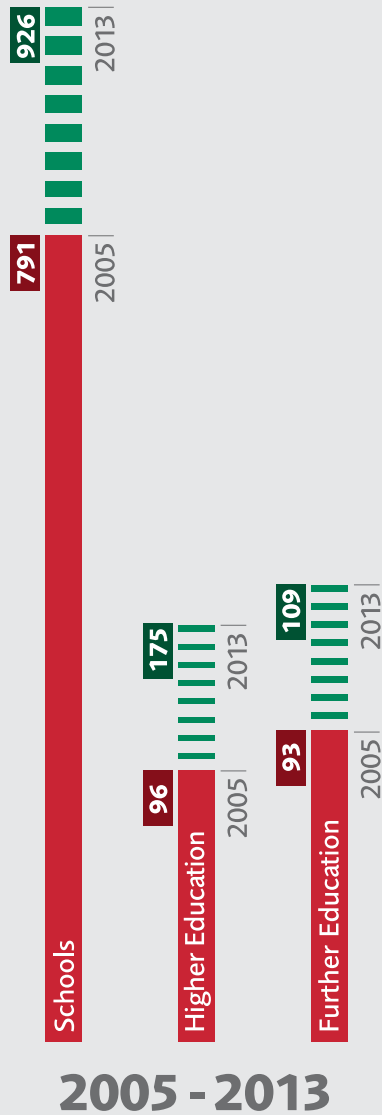
Player numbers
Objective: Increase participants by 2% per year over the Plan period



2005 - 2013

Based upon RFU Questionnaire response from 1,115 clubs playing 20 or more matches per year

Club links to education
Projected growth over Plan period



Based upon RFU Questionnaire response from 1,115 clubs playing 20 or more matches per year

Schools and Students Development

Objectives

- Increase the number of participants playing the game at U13-16 age group by a minimum of 2% per year averaged over the Plan period
- Increase the number of Secondary Schools playing more than six matches per year by a minimum of 2% per year
- Increase the number of student teams by a minimum of 2% per year averaged over the Plan period
- Increase the number of links between FE/HE institutions by a minimum of 2% per year averaged over the Plan period

Participation in schools is an issue for a number of sports and there is no doubt that the extent to which a sport is played in schools has a direct impact on the number of players that continue to participate after leaving school and moving into adulthood.

To tackle this issue and to ensure that there is an increase in the amount of rugby played in our schools, we will develop a training and support programme for schools' staff. This will be supplemented by activities that increase the number of secondary schools that give pupils the



opportunity to play rugby and participate in recognised competitions. We also aim to increase the number of schools playing five or more matches in years 9 and 10.

The 17-24 age bracket presents us with a significant challenge in terms of player recruitment and retention. For reasons as diverse as physical development, moving away from home and academic or career pressures, rugby has found it increasingly difficult to fully engage this group.

To address this, we will establish a tracking system for students leaving institutions of

further and higher education. Effectively, each player will register online to enable us to provide them with the necessary information that they need to join a new club wherever they may be and whenever their circumstances change.

As far as the education system itself is concerned, we will develop a support and incentive-based programme that will increase the number of teams in further and higher education institutions. We will also establish an appropriate affiliation process for further education institutions to formally join the RFU.

Coaching Development and Delivery

Objectives

- Ensure all teams have access to high quality coaching, supported by the best coach development system
- Achieve a players/coach ratio of 15:1 by the end of the Plan period

Coaching is, without doubt, one of the best tools for driving participation in rugby as well as one of the most effective means of retaining players. Quite simply, the more coaches you have, the more chance you have of enthusing players and providing them with the environment in which they can reach an optimal standard within the game.

It is coaches who spot the Jonny Wilkinsons and Martin Johnsons of the future and this is the best illustration of why the development and retention of coaches is of fundamental importance to our game.

Our aim is to increase the number of coaches with National Coach Awards and provide development programmes to make sure that they are continually learning and adopting the most innovative coaching techniques. We will recruit and retain more coach tutors, trainers and assessors to make certain that the advancement of



coaching within the game is underpinned by a comprehensive support system.

We will establish a network of Club Coaching Co-ordinators with a short term target of 70% of Section 1 clubs (defined as a club in full membership of the RFU playing 20 or more matches per annum) having a Club Coaching Co-ordinator.

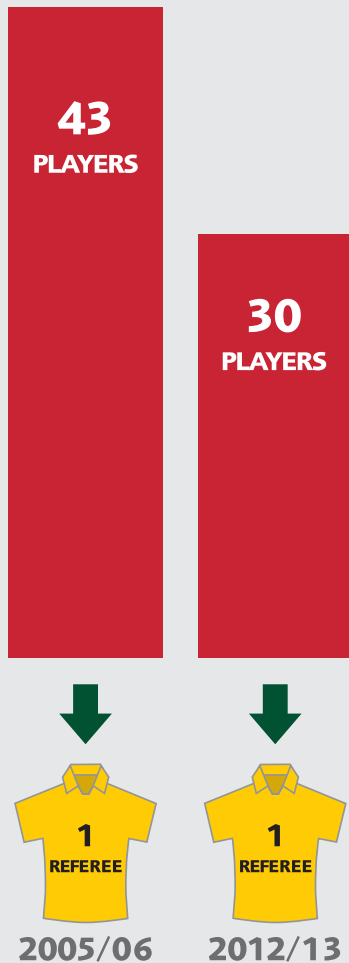
In the same way that we are acting to ensure that players are retained within the rugby system, we will also be taking steps to make sure that we are able to keep in touch with coaches at all levels through a Coach Tracking system as part of Project Trafalgar. This will minimise the number of coaches who are lost from the game by continually engaging them in dialogue.

Players per coach
Objective: Player to coach ratio of 15:1 over the Plan period



Qualified referees in the fifteen-a-side game

Objective: Player to referee ratio of 30:1



Based upon RFU Questionnaire response from 1,115 clubs playing 20 or more matches per year

Officiating Development and Delivery

Objectives

- Provide a competent referee for every game
- Achieve a player/referee ratio of 30:1 by the end of the Plan period

It's an old adage but it has never been more relevant. Without referees, there would be no game.

Despite being a sport based on physical intensity, rugby is, nonetheless, renowned for its traditions of sportsmanship and discipline. Parents encourage their youngsters to get involved in the game because of its sporting values. In rugby clubs across England, young players not only learn to play the game but also to respect the opposition and be part of a team where control goes hand in hand with contest. Further, they learn to respect the referee as he/she upholds the rules of the game and, without whom, it would be impossible to play.

England has significantly less referees than both Australia and South Africa, despite being the largest rugby nation in terms of player numbers.

It is our intention to significantly improve on this ratio.



We will be implementing a registration system for all referees in England, whether they referee matches in schools, colleges or clubs and to utilise this system to monitor referee appointments as well as communicating rule changes in a timely and efficient manner.

In order to ensure that we are serving the interests of referees themselves and therefore the game as a whole, we will regularly review and develop our referee training courses. We will seek to deliver a standardised national structure of refereeing qualifications.

We aim to increase the number of RFU Referee trainers, assessors and referee coaches by 10% per year over the Plan period.

We will also be conducting a review of all reward and recognition systems to ensure that the incentives in place for referees encourage them to continue to officiate the sport.

Volunteer Development

Objectives

- Achieve a minimum 3% per year increase in the number of volunteer administrators averaged over the period of the Plan
- All Constituent Bodies to adopt their agreed roles and responsibilities by 2006/07
- Create partnerships with Premier and National clubs for the benefit of the community game
- Constituent Body funding to be targeted to support priority areas of the Community Rugby work programme
- Provide training programmes for volunteer administrators

Below the professional tier, the game relies on an army of volunteer administrators to deliver and run the sport. These volunteers need encouragement, support and recognition.

If coaches teach the game and referees officiate it, then it is the huge number of volunteers that willingly give their time who actually run the sport below the professional level. As such, they are fundamental to the future success of the sport and it is our intention to cultivate this rich resource to ensure that the sport continues to thrive at the community level in the coming years.

We are establishing a network of Club Volunteer Co-ordinators to provide more direct links between the clubs and the RFU on recruitment, retention, development and recognition of volunteers.

RFU and Constituent Body Community Rugby initiatives will be linked and developed to form a 'menu of opportunities' for volunteers.

We will continue to seek ways of reducing bureaucracy and unnecessary paperwork at all levels. We intend to eliminate the non-essential tasks of volunteer administrators which affect volunteer retention.

We will provide support from the centre to assist Constituent Bodies as they carry out their roles and responsibilities with the help of volunteers.

We will help the Constituent Bodies to share knowledge and experience by developing working partnerships with them and by implementing a Constituent Bodies' Consultants Scheme. This will make available to Constituent Bodies the expertise of select RFU Council members on a consultative basis.

The Constituent Body strategic planning process will be simplified to enable all Constituent Bodies to participate in the planning process.

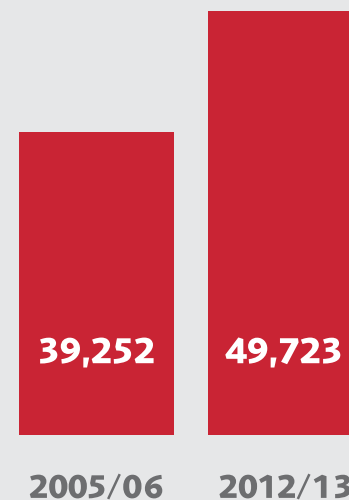


Templates will be provided that will enable Constituent Body committees and officials across the country to carry out their work on a more uniform basis. Strategies will be put in place to enhance the relationship between professional staff and volunteers.

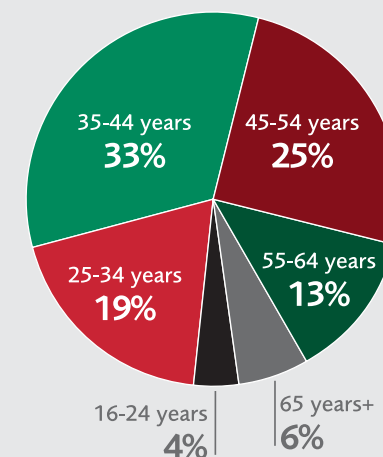
Volunteers will receive training and education to better prepare them for the roles they wish to undertake within the game and this will go hand in hand with schemes to recognise the contribution that they make to the sport.

Volunteers in the game

Objective: 3% per year increase over Plan period



Breakdown of volunteers by age bracket (2005/06)



Based upon RFU Questionnaire response from 1,115 clubs playing 20 or more matches per year



Equity, Welfare and Medical

Objectives

- Ensure that the RFU complies with the Sport England/NSPCC “Standards for the safeguarding of young people in sport”
- Provide a ‘medical issues’ service to participants in the community game
- Increase awareness in all RFU member organisations of their responsibilities under health and safety legislation
- Increase under-represented participants by 1% per year averaged over the Plan period
- Become a world leader in the fight against doping in sport

The game of rugby prides itself on providing a fair, equitable and welcoming environment for players, coaches, referees, volunteers and spectators from all backgrounds. The spirit of camaraderie in rugby is arguably more prevalent than in any other sport.

Nevertheless, the RFU is determined that this will remain the case and will undertake activity that seeks to maintain a sense of equity and equality throughout the sport.

We will be providing all stakeholders within the sport with access to best practice guidelines on child protection, player welfare and health and safety.

Policies and programmes that seek to achieve and maintain equality and welfare within the sport are laudable not only in themselves but are becoming increasingly important criteria to Government as it considers the level of funding made available for National Governing Bodies.

We will monitor the increase in participation of people currently under-represented in the game as well as promoting the public image of rugby union through the use of role models.

We will establish positive action schemes aimed at increasing the numbers of players, coaches, referees and volunteers

from currently under-represented groups and ensure that all internal policies and procedures pay due regard to diversity in selection and recruitment, performance targets, grievance procedures, training and education programmes.

With specific regard to the important area of child protection, we will produce a national policy that covers the welfare of young people in the game and provide a template for member clubs themselves to put it in place and monitor their own policy.

This will be supported by an online ‘one stop shop’ that will provide definitive answers to enquiries from Constituent Bodies and clubs.



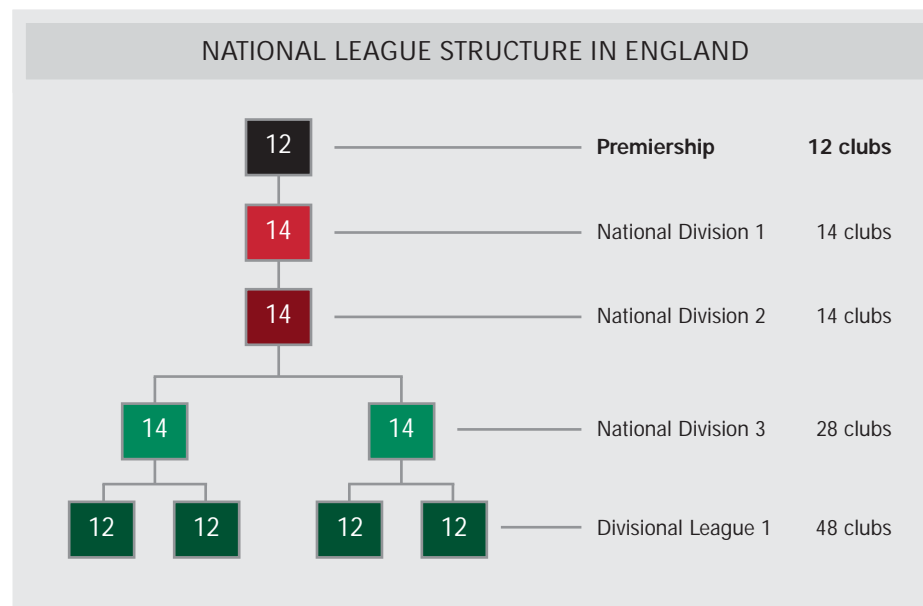
National Leagues

Objectives

- To provide the right environment to prepare aspirant clubs for the Guinness Premiership
- To raise playing and facilities standards for clubs below the Premiership
- To provide opportunities for RFU Academy athletes
- To provide a selection base for the England representative team aimed at players outside the Premiership
- To facilitate the wider promotion of the professional game
- To act as 'Beacon Clubs'

The National Leagues are both the pinnacle of the community game and the nursery for the Guinness Premiership. It is essential that we establish a clear role for them with set objectives and strategies upon which the RFU can make funding decisions.

Only then will the environment be provided that prepares aspirant clubs for promotion to the Guinness Premiership. We will seek to develop the National Leagues competition structure to help facilitate this and ideas have already been put forward as to how best to achieve this in the coming years.



The concept of a 'Beacon Club' has been developed within the community game to assist in the development of the game in their locality, working with Constituent Bodies, Local Authorities, clubs and schools.

National League clubs offer a range of professional and semi-professional rugby that places them near the top of the sport's structure in terms of performance. These clubs have an excellent opportunity to become a 'Beacon Club'.

This increased activity will enable them to play a larger role in their own community as well as helping their aspirations to progress through the National Leagues.

The National Leagues can also play an important role with the RFU Academy athletes by providing competitive fixtures for them. The regulations will be reviewed to facilitate this process.





International Rugby

Objectives

- England to retain the RWC in 2007
- England to win two out of three matches against SANZAR nations
- England to win the Six Nations Championship four times in the Plan period and to win the Grand Slam twice in the Plan period
- England to win the IRB World Series Sevens at least twice in the Plan period, the Sevens RWC and the gold medal in the Commonwealth Games
- England to win the U21 Six Nations Championship three times in the Plan period and the U21 RWC by 2008 and thereafter achieve consistent success at this level
- England U19 to win the U19 RWC by 2007 and thereafter achieve consistent success at this level
- England to play no more than 11 test matches each year
- To secure a re-vamp of the international tours schedule to achieve a commercially viable international match programme
- To have a minimum of four referees on the IRB 'A' and 'B' panels
- To secure an integrated 'Global Season' to minimise conflicts between international and club competitions

More than anything else, international rugby drives participation in the sport. Directly or indirectly, it is also responsible for virtually all of the RFU's revenues.

It is therefore essential that England has and maintains a successful national team with all the right structures, properly resourced and supported. A successful England team, creating sporting 'stars' and role models, is the strongest marketing tool for the game and, in turn, benefits the Premiership clubs, the community game and the professional players alike.

The impact on the game of the Rugby World Cup victory in 2003 serves to underline just how important a winning England team is to the health of the game as a whole.

As we did in our first Strategic Plan in 2001, we have set ourselves some tough targets at the international level but we have also formulated the strategies that we believe will allow us to achieve our goals.

The England teams thrive on competition and to this end, we will be seeking to maintain a competitive match structure for the England team so that at least 60% of test matches that we play will be against the top five countries in the world. The timing of these fixtures is as important as the quality of the opposition and we are determined to

schedule major international fixtures to provide our top players with adequate periods of time for rest and recovery.

Although the development of our World Class Performance programme focuses on the National Academy group of players, we are firm believers that the England 'A' team is an essential component of our international set-up and will continue to perform its function as an 'Emerging England' team in the Six Nations and the Churchill Cup. Similarly, the U19 and U21s age group sides are crucial stepping stones to full international honours for our talented young players.

The importance of Sevens to our international development cannot be underestimated and we have enjoyed notable successes in this arena in recent years. The skills that players hone in this form of the sport are becoming more transferable to the requirements of test match rugby.

Our international strategy does not purely focus on playing success. We also aspire to develop the best coaches and referees at elite level to ensure that the English game as a whole represents the best in the world in terms of the way it is played, coached and officiated.

To this end, Elite Referee and Elite Coach development programmes will be put in place to achieve these goals.

Elite Player Development

Objectives

- To maintain the four year Elite Player Squad (EPS) programme to maximise the performance of England's elite players over a World Cup cycle
- Seek to reduce the limit on the number of games per senior EPS player from 32 currently to 28 by 2005/06
- Secure the agreement of Premier Rugby for the RFU to have primary financial, management and contractual responsibility for the senior EPS players
- To maintain a structured 11 weeks' unbroken rest and preparation period for EPS players
- To maintain and improve the Compensation Scheme to assist the development of English qualified players
- To maintain a National and Regional Academy structure for the identification and development of potential elite English athletes

To give the England team every opportunity to achieve the challenging targets that we have set them, we need to continually develop the skill base and the mental and physical conditioning of our elite players whilst providing proper medical care to avoid injuries and aid rehabilitation.

Only then can we equip them to take on the best teams in the world and win Rugby World Cups, Six Nations Championships and Grand Slams.

The key to achieving this is the four year EPS programme agreed with Premier Rugby. This provides for 16 England training release days per year; 11 weeks' rest and recuperation; fitness, strength, nutrition and conditioning programmes; limits on the numbers of matches played and a medical protocol for athlete care.

Over the Plan period, we will be seeking further agreement with Premier Rugby over reducing the maximum number of games that senior EPS members can play in a season. We will also seek to secure the agreement of Premier Rugby for a system of tripartite contracts for senior EPS players which will provide for the RFU to assume primary financial, management and contractual responsibility for senior EPS players during agreed international periods.

We are committed to the continued development of our National and Regional Academies Programme which helps to make certain that effective individual development programmes are put in place for all our athletes. Closely tied to this, is the production of an appropriate programme of domestic competitions that supports the



development of our Academy athletes. The increased investment of time and resource will see these athletes developing at an accelerated rate. In turn, they will require a higher standard of fixtures in order to sustain this rate of progress and provide them with the necessary match experience to progress to the next level.

We also recognise that many of the changes in the game over the past few years have made too little provision for the training and tuition of ex-players to ensure that they continue to give the benefit of their experience to the game.

To this end, we will be developing and delivering post-playing careers training and tuition for elite players who have reached the end of their international careers in partnership with the PRA.





Elite Club Rugby

Objectives

- To secure agreement with Premier Rugby to resolve outstanding 'Club v Country' issues
- To establish professional club rugby as England's second most popular team sport after football
- To provide the environment for professional club rugby to be financially successful
- To assist Premier Rugby in developing an effective Stadium Development Programme
- A Premiership club to secure at least one semi-final place in the Heineken Cup each year and to win the Heineken Cup in four of the eight Plan years
- To increase the number of English qualified Head Coaches/Directors of Rugby in Premier Rugby clubs to 70% by the end of the Plan period
- To secure the agreement of Premier Rugby to licence all Premiership coaches by season 2007/08
- To improve the quality and consistency of elite refereeing at club matches by having eight full time referees by the end of the Plan period

The 2001 agreement between the RFU and Premier Rugby brought a much needed period of stability to the elite game. It provided a platform to develop both successful national teams and a substantial increase in funding to Premiership clubs.

The RFU's main priority for elite club rugby is to negotiate another agreement of this nature to ensure that the development of the professional club game works in tandem with the needs of the national teams. Securing such an agreement will provide the basis upon which our objectives for elite club rugby in England can be met.

We will continue to work with our leading professional clubs to help them to gain the maximum sporting and commercial benefit from their participation in such premier tournaments as the Heineken Cup, the Guinness Premiership, the ERC Challenge Cup and the Powergen Cup.

It is the RFU's intention to secure a return to a more traditional format of touring for both the incoming autumn tours and outgoing summer tours. This could provide

an opportunity for the tourists to play two midweek matches against Premiership opposition. Such matches against New Zealand, Australia or South Africa, may well generate gates in excess of 40,000 and provide a resulting boost to rugby in the regions.

The RFU has agreed with Premier Rugby that, subject to clubs honouring international player release commitments, the Premiership can continue throughout the period of the Six Nations Championship.

The RFU is also committed to working with Premier Rugby and its constituent clubs to establish a professional game rugby trust for the development of club stadia. This is an important development that is a positive result of the strong growth in attendance levels at Premiership fixtures in the last six years.

Working in partnership with Premier Rugby will ensure that rugby takes its rightful place as the second most popular team sport in England.

Commercial, Marketing and Business

Objectives

- To develop sustainable and profitable revenue streams for the funding of the game
- Limit our exposure to broadcast revenues to 20-25% of total revenues by the end of the Plan period
- Establish a select number of 'Rose' branded joint venture companies relevant to our core activities
- To maximise revenues and minimise costs through increasing the RFU's e-capabilities
- To be and remain the second most popular team sport in England
- Increase the number of international match tickets allocated to member clubs
- To grow the value of the RFU's ticket revenues over the Plan period
- To maintain the number of debenture tickets between a minimum of 11,000 and a maximum of 15,000
- To contract with quality 'blue chip' brand companies as trade partners

The investment requirement of the game at both elite and community levels demands commercial success in order to deliver the necessary financial resources. It is also a fundamental responsibility of the RFU to ensure that the sources of this income are secured, where possible, on a long-term basis.

The RFU is committed to work to a revenue model that is not only profitable but sustainable. Central to this is the desire to limit our exposure to the television rights market which can be volatile. To do this, we have to generate new revenue streams in addition to maximising income from our existing revenue streams. We also intend to identify sources of income that take advantage of new technologies and the changing commercial environment.

Although television income represents a significant proportion of the RFU's income, not all this revenue is directly under the control of the RFU as major TV contracts are now negotiated by the Six Nations Committee and the European Rugby Cup.

The sustainability of TV revenues balanced with good exposure, however, is crucial to the growth of the game. Contracting solely with terrestrial broadcasters would not deliver the required revenues but partnering solely with satellite broadcasters would not deliver the required exposure. We are therefore committed to maintaining a balance of satellite and terrestrial TV coverage.

Examples of where we intend to develop our commercial activities further include the expansion of our e-commerce capability to enable us to capitalise on the clear demand for online retailing.

PRINCIPAL UK TELEVISION RUGBY RIGHTS BROADCASTERS

Property	Rights Holder	Live	Highlights
RWC 2003/2007	IRB	itv	itv
6 Nations Championship	6 Nations Committee	BBC	BBC
Heineken Cup	ERC	SKY SPORTS	SKY SPORTS
Guinness Premiership	PRL	SKY SPORTS	SKY SPORTS BBC
Guinness Play-offs	PRL	SKY SPORTS	SKY SPORTS BBC
RFU Autumn Int's	RFU	SKY SPORTS	BBC
Wales/Ireland/Scotland Autumn Int's	WRU/IRFU/SRU	BBC	BBC
Powergen Cup	RFU	BBC	BBC
IRB 7s	IRB	itv	itv
Churchill Cup	Churchill Cup	SKY SPORTS	SKY SPORTS
England Summer Tour	SANZAR	SKY SPORTS	SKY SPORTS
Varsity	RFU	SKY SPORTS	BBC
Lions Tour	SANZAR	SKY SPORTS	SKY SPORTS
Middlesex 7s	M'sex Charity 7s	SKY SPORTS	SKY SPORTS
Tri-Nations	SANZAR	SKY SPORTS	SKY SPORTS
Super 14	SANZAR	SKY SPORTS	SKY SPORTS



Linked to this, we will be developing a range of commercial enterprises that will fully exploit the 'Rose' brand that is so synonymous with the game in England.

Our sponsorship strategy is being evolved to match the different demands of modern corporations seeking to invest in our sport.

We are also committed to maximising the revenue from our corporate boxes at Twickenham.

From a spectator's perspective, we will take steps to minimise the black market at Twickenham and we are already developing a revised, robust policy for Twickenham ticket allocations as well as a pricing strategy more appropriate for our long-term revenue forecasts.



Twickenham Experience Ltd and the Stadium

Objectives

- TEL to become the leading provider of quality corporate hospitality in the UK
- Ensure that all TEL customers are placed in quality on-site permanent facilities
- To sell out TEL's contracted maximum number of covers for the four major matches each year
- Reduce TEL's dependence on sub agents and reduce commission payments
- Further improve conference and banqueting sales to £3.5m per year
- Increase the return from public catering to £3.50 per head per match
- To create a world class stadium for a world class team
- To increase the capacity of the stadium to 82,000
- Incorporate new commercial revenue generating facilities

The RFU's hospitality venture, Twickenham Experience Ltd (TEL), has been a major success in terms of providing income streams to the RFU and improving the quality of our popular hospitality offering.

Careful development and access to new facilities in the South Stand will further improve the quality of our offering and our financial return.

The development of the South Stand at Twickenham will increase the commercial opportunities available at the stadium significantly. We intend to ensure that we fully capitalise upon these through our partnerships with Marriott Hotels and Virgin Active and the provision of new conference and banqueting facilities.



TEL will continue to invest in new developments to improve its customer offering. A new 'gold standard' service branded 'The Captain's Club' will be launched.



The stadium, in addition to being the home of English rugby, now plays host to events other than test matches and major club fixtures. Twickenham is now licensed to host three concerts a year and we have recently held sell-out concerts from the likes of the Rolling Stones and U2.

We do not wish to stop with the development of the South Stand, however. We are committed to continually evaluating the possibilities which the developed stadium presents us with to generate additional revenue streams.

To that end, we will utilise the best industry experts to advise us and assist us in planning what we can do next to make sure that Twickenham, a brand in its own right, plays its part in securing the financial future of the game.



Finance and Funding

Objectives

- Maintain a minimum level of reserves of £7.5m and grow reserves by a minimum of £2.5m each Rugby World Cup cycle
- Maintain minimum cash balances of £10m
- Maximise the RFU's gross profit to fund investment in all levels of the game
- Achieve a minimum interest cover of 5 times and maximum debt/equity ratio of 2:1
- Minimise RFU's effective tax rate
- Achieve an annual distribution to members of a minimum of 50% of profits after tax
- Maximise the impact of club revenue and capital funding to drive participation levels
- Secure an appropriate financing package for the South Stand Development Project

	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
Contribution	52.8	66.1	55.3	66.7	63.9	71.3	63.1	74.5
Operating costs	25.8	26.9	27.0	26.7	27.7	28.4	29.2	29.2
Gross profit	27.0	39.2	28.3	40.0	36.2	42.9	33.9	45.3
Performance	8.8	8.7	9.1	9.4	9.7	10.0	10.2	10.6
Community Rugby	20.7	21.6	22.2	22.9	23.3	24.1	24.8	25.6
Operating profit	(2.4)	8.9	(3.0)	7.7	3.2	8.8	(1.2)	9.1
Interest	1.4	0.9	(0.4)	0.2	1.3	2.5	3.4	4.7
Pre tax profit	(1.0)	9.9	(3.4)	7.9	4.5	11.3	2.3	13.9
Taxation	1.0	(1.5)	0.7	(1.2)	(1.1)	(1.9)	(0.8)	(2.5)
Retained profit	-	8.3	(2.7)	6.7	3.5	9.4	1.5	11.4

The RFU is in good financial health. This has not always been the case. It is important that we adopt our own 'Golden Rules' to ensure our future financial health for the benefit of future generations.

The overarching strategy that the RFU will continue to implement is a commitment to

running the organisation to PLC standards in relation to financial control and corporate governance. In the financial section of the 2005 Strategic Plan, we have laid out a framework for the long term financial management of the game in England.

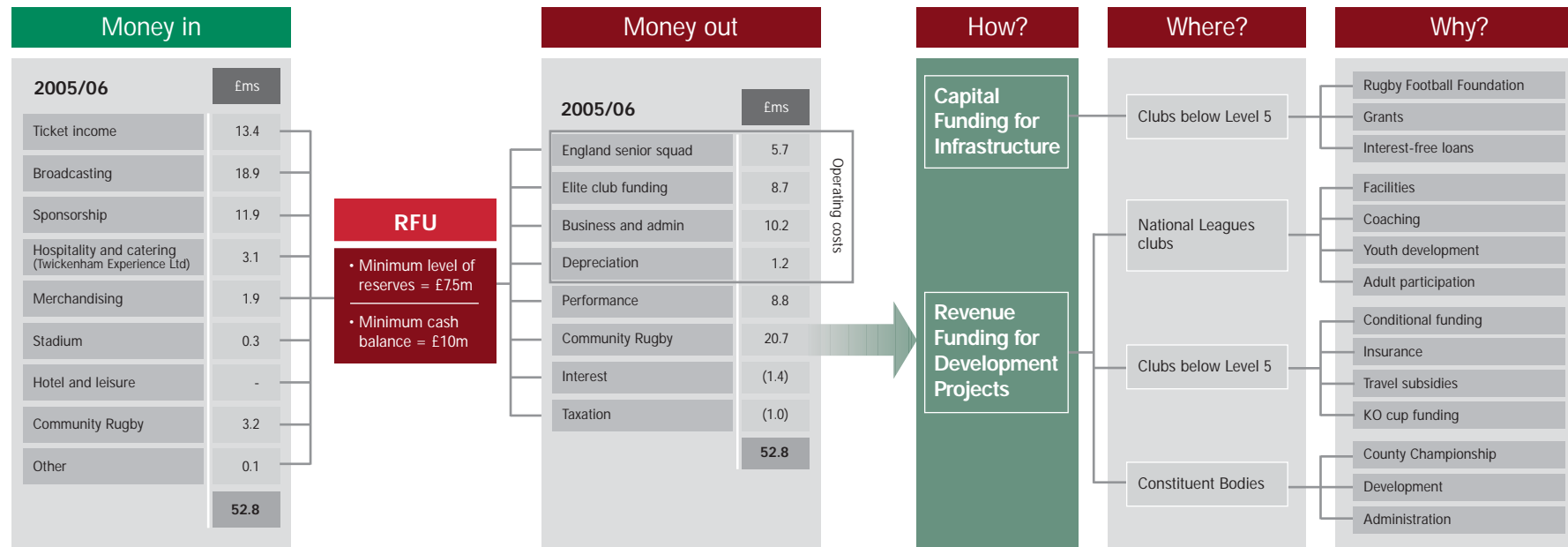
We have likened the cornerstones of this framework to the Treasury's 'Golden Rules':

These performance indicators will be used in our annual budgets and our eight year budget projections in order to give us a solid basis upon which to make key financial decisions.

Although the technicalities of financial planning can be difficult to illustrate, the fundamental principles that have been applied are designed to provide a stable financial

future whilst also freeing up as much money as possible for investment into the game.

The full details of the plans for the future financial management of the RFU are extensively covered in the 2005 Strategic Plan.





Governance and Game Management

Objectives

- To ensure that we maintain an efficient management and administrative structure for the game
- To manage the RFU to PLC standards
- To sustain good relationships with the IRB and the Six Nations and by the end of the Plan period be seen as a leader in IRB and Six Nations policy making

The RFU is determined to set high standards in governance and administration. The systems and structures that are in place must be subject to periodic review to ensure that the organisation demonstrates best practice as a National Governing Body of a major sport. This will underpin all other initiatives and programmes previously referred to in this document.

We have already alluded to our desire to run the RFU to PLC standards. These standards will be applied to all of the RFU's administrative responsibilities, including the management of human resources and the effectiveness of our organisation in governing the game of rugby in England.

The development of the RFU has led to the current structure of decentralised, devolved administration and decision-taking through a number of bodies.

We undertake to review this structure on a regular basis to make sure that it continues to deliver efficient, cost effective and democratic administration of the game for the benefit of all stakeholders. This will be undertaken whilst ensuring that the RFU Council remains the sole policy making body for the game as a whole.

It is our objective to achieve the established international standard for effectiveness, customer satisfaction and quality. By adopting recognised benchmarks in these areas, the RFU will be able to measure, and be held accountable for, the effectiveness of the services it delivers to the game.

To this end, specific strategies planned for implementation in the near future include scrutiny of the size, composition, role and responsibilities of Council as well as undertaking a review of its business.

We will establish an independent Sub Committee to conduct an annual audit of member clubs. We will review the qualification criteria for Constituent Bodies to ensure that our structures deliver what the game needs.

We will also examine the method by which the Chairman of the RFU is selected and scrutinise the activities and therefore the ongoing requirement for four Standing Committees.

The RFU's relationships with the IRB and the other Home Unions have improved significantly over the last four years. As the largest Union in the world, both in terms of members and participants, we should aim to continue to play a major role in terms of policy development.

We aim to provide members to all the key committees of the IRB as well as securing an appropriate share of the chairman appointments. We also aim to provide a director on the board of Rugby World Cup Ltd.

We will also be active in making proposals to the IRB to improve the laws and regulations of the game for the benefit of both the professional and community games.

Overall, we will create and implement a strategy for improving our influence within the IRB which will ensure that we will continue to play a major role in the development of the sport worldwide.

We wholeheartedly believe that the policies and objectives set out within the Strategic Plan will play a hugely significant role in driving rugby in England forward... **from good to great.**



Acknowledgements

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Rugby Football Union, Rugby House, Rugby Road, Twickenham TW1 1DS
www.rfu.com