

From Sir Bill Beaumont

Dear rugby colleagues,

As I wrote in my open letter to the game on 10 January, it is a great honour to take up the role of interim chair of the Board of the Rugby Football Union, and my absolute priority in the coming months is to help bring the game together.

One of the strengths of our great game is that there are so many different views, and that people are able to express those. It is vital that the members have a right to be heard, and we respect the right of members to call for a Special General Meeting (SGM).

However, this is a very serious moment in the game in England. There are demands for change, but without any proposals for what comes next. In the pack of documents for the SGM is the letter authored by the Rugby Football Referees Union and some of the Championship Clubs. That letter not only calls into question the integrity of fellow volunteers, but it also, either deliberately or otherwise, paints a highly misleading picture of the state of the Union.

As I wrote in my letter earlier this month, the RFU has emerged from Covid in a robust financial position. It is a complex organisation, and as well as promoting and regulating professional and community rugby, it is an events company, a commercial rights holder, an operator of elite men's and women's national teams, and the operator of one of the biggest stadiums in Europe. I have seen the depth in which the finances of the RFU are planned over the long term to ensure its effectiveness in fulfilling each of those roles.

The need for change

It is clear that many within the game want change. I agree with this wholeheartedly. The RFU and its governance structure needs to continue to modernise to meet the needs of its members, players, parents and all those involved in the game now and in the future. However, a personalised attack on one individual (the CEO) is not the way to achieve that change.

The Council in early 2024, with the support of the Board, commissioned a review of the governance of the RFU which is now well underway. This is made up of highly respected independent members from inside and outside the game in addition to representatives of the Council, the Board, the Executive. That review group is charged with delivering proposals to effect that change, and to ensure that the voice of the members is at the heart of all decision-making at the RFU.

The Special General Meeting

Rugby is a broad church, and we don't always agree on how best to grow and manage the sport, and sometimes we lose sight of the fact that the overwhelming majority of those in the game only want what is best.



On behalf of the Board, I ask you to vote against the proposed resolution. This sort of personal attack does nothing to bring us the unity we need or enhance the reputation of the Union and will only serve to distract the Union from delivering on its long-term transformational plan for its members. Far from ushering in real change, the resolution, if approved, risks sending the Union into paralysis and creating a leadership vacuum.

The review of governance and representation must continue its work, and changes to how the RFU is governed will be put before you all as members. This process is the proper one for delivering change, and it will be on this that you will all need both to use your voice and exercise your rights as members.

This year brings a generational opportunity for the game. The Women's Rugby World Cup, beginning in Sunderland in August and for which we have seen a record demand for tickets, can supercharge the growth of the women's and men's game, at a time when the men's game is also returning to its pre-Covid levels of participation. It is these opportunities that we must grasp together and not follow a path of division and infighting.

Next week I will start on a series of meetings at rugby clubs throughout the country, hearing their perspectives and what they want to happen. I hope to see as many of you there as possible and look forward to the opportunity of speaking to you at the SGM on 27 March.

With best wishes

A handwritten signature in black ink, which appears to read 'Bill Beaumont', is positioned below the text 'With best wishes'.

Sir Bill Beaumont

ANNEX

Background to the RFU financial position

The Rugby Football Union is both a sports governing body and a business which operates to high corporate standards and reinvests profits from events and commercial rights into rugby at every level.

We are financially strong: we have no bank debt, £59m of cash and £83.6m in P&L reserves. We are on track to grow revenue by more than 20% in the current cycle and expect to deliver substantially reduced net underlying losses compared to the previous four-year cycle.

With 85% of our revenue coming from England men's home games, our revenue each year varies according to the number of men's home matches. A men's Rugby World Cup year is loss-making as there are no Autumn Internationals and fewer 6 Nations home games, and at the same time the RFU bears the increased cost of attending a Rugby World Cup. Therefore, we plan investment in the community and professional games across the four years so that annual investment in rugby is consistent.

Losses are a direct result of commitments we are making to the community and professional game and investment in future revenue growth streams. This is not losing money, but rather it is investing in the game. The most recent four-year period saw the RFU, like other sports, suffer significant reductions in revenue due to Covid predominantly due to matches being behind closed doors. Our £150m reduction in revenue while sport stopped has also been accompanied by post-Covid cost inflation.

Correction of comments made by the Rugby Football Referees Union

The letter from the Rugby Football Referees Union includes the following inaccurate statements:

'The RFU has made significant financial losses over the last two rugby World Cup cycles, (circa £130m+)';

This is not correct. Thus far, the Secretary of the RFRU has not been able to evidence this number. Adjustments have clearly been made to our reported net loss, the total of which do not correspond to the independently audited Annual Report and Accounts.

At the end of the 2016/17 to 2019/20 cycle, bank debt stood at £75m, P&L reserves had fallen to £0.7m and cumulative losses amounted to £61.8m. The management team took action over the most recent cycle to restore financial stability to the RFU. Despite absorbing the unprecedented impacts of Covid in the first two years of this cycle, bank debt has been fully repaid, cash and deposits reached £59m and P&L reserves have increased to £83.6m. There are some "one-off" items included within this performance,

including the RFU's share of CVC investment in Six Nations. This transaction has, and continues to, benefit the RFU financially.

This financial performance across the last two World Cup cycles, has allowed the RFU to invest more than £730m back into the game.

'[The RFU] has spent millions on removing England coaching staff'

This is not correct. Settlement agreements are confidential, however, the year in which Eddie Jones left the RFU, the Annual Report shows the restructuring costs – which included all staff restructuring costs across the organisation – were £900k.

'We have also seen the demise of four clubs in the top two leagues and the damage done to the second tier of our game through unaccountable decision-making.'

It was devastating to see four clubs go into insolvency, and the RPA, RFU and PRL worked together to support players and staff following insolvency. Ultimately, they were independent businesses, with directors responsible for running them. Their financial management does not rest with the RFU. Their owners were no longer willing to invest in clubs that were loss-making. It would have been wrong for the RFU to bail out these clubs. The Financial Monitoring Panel, now under the authority of the Men's Professional Game Board, undertakes active financial monitoring of clubs in the Premiership to reduce the risk of club insolvencies.

'The failure in dealing with promotion and relegation in the pyramid.'

This is not correct. For the duration of the eight years of the Professional Game Partnership, the RFU Council agreed that promotion and relegation would continue through a play-off between the Premiership and Championship provided that the Championship club met the relevant minimum standards.

There was consultation with the Championship clubs, and this consultation led to greater flexibility for aspiring clubs to reach a capacity of over 10,000 over a four-year period.

Setting the structure of promotion and relegation continues to be the responsibility of the Council and remains throughout the pyramid.

'The debacle of the tackle height implementation, added to a centralised staffing structure, which does little to serve the game at local levels, means the thousands of volunteers who keep the game alive, and running have now lost confidence and trust in the leadership of our game.'

Council voted to lower the height of the tackle in the community game two years ago in order to make the game safer. Though it was the Council's role to decide these changes, the RFU, as whole, acknowledged engagement with the game could have been better during the build-up to the decision being made.

The law change followed significant research that evidenced this would result in a reduction in concussion and head-on-head contact. The early evidence from the RFU's own ongoing Community Rugby Injury Surveillance and Prevention Project (CRISP) data analysed in conjunction with experts at the University of Bath suggests that head injuries have been prevented, while anecdotal evidence suggests that the community game has become more free-flowing and that, following a period of bedding in as with any new laws, the changes have been relatively easy to administer and referee.

The resolution also suggested that Council were not aware of the Executive's Long-Term Incentive Plan.

This is not correct. Executive pay is set by the Remuneration Committee under the supervision of the Board. Council has a representative on that committee. The RFU Board had six Council Members on it when it was agreed plus the then President observing. In total, at least 18 Council Members were involved in the in Long-Term Incentive Plan discussions over the last four years. It was also publicly disclosed in the annual reports in 2021/22 and 2022/23.

The email sent to clubs states that clubs up and down the country have seen the support they receive 'disappear'

This is not correct. Investment in Community Rugby has been a priority, and the Community Game Future Project has been agreed and will see £30m a year invested for each of the next four years, as the initial phase of a ten year investment programme with more coaches, more resources for clubs, and accessible forms of T1 non-contact rugby being taken into thousands of schools.