

THIS IS OUR GAME. **THIS IS WELSH RUGBY.**
DYMA'N GÊM NI. **DYMA RYGBI CYMREIG.**

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C/O:

SeneddCulture@senedd.wales



Tanwen Summers

Senedd Cymru
Welsh Parliament
0300 200 6386

Dear Committee Members,

Thank you kindly for the opportunity to discuss, alongside other Welsh sport's governing bodies, the following subjects:

- The effect of the COVID-19 pandemic on the sports sector;
- Any impacts on your sector as a result of Brexit; and
- Your priorities for the forthcoming Welsh Government Draft Budget.

Our written submissions are set out below.

In addition, please also find below a summary of our policies and resources in the women's game on the subject described, as promised.

Our understanding was that the focus of the discussion with the committee was to be round the points listed above, however the initial question posed about the Six Nations deal with Amazon Prime Video took a significant amount of the allocated time. We hope the committee understand the WRU's position on this subject; that our broadcast rights are negotiated centrally by the Six Nations; it remains a key priority for the WRU to support and promote the Welsh language at all times, hence the provision for Welsh language commentary by Amazon Prime Video; and that broadcast rights remain one of the main drivers of income for Welsh rugby in general. Meaning we will always be in favour of maintaining a free and competitive market place in this area, whilst being mindful of the need for acces to our game. It should also be noted the Six Nations Championship remains on free to air for the next four years.

The effect of the COVID-19 pandemic on Welsh rugby

We would like to reiterate to the committee the degree to which the Covid-19 pandemic has amounted to a direct and unprecedented and existential threat to both the professional AND the community game in Wales. Put bluntly, our turnover fell in real terms by 60% and for much of the pandemic people could not play our game.

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Each facet of Welsh rugby is utterly inter-dependent on the other. In simplistic terms, players (both male and female) flow up from the community game and the income flows down from the national teams, stadium and professional sides.

Ordinarily, this inter-dependence is a strength. However, the realistic chance of one or more party 'failing' during the pandemic put the whole game in jeopardy.

We cannot yet properly measure nor predict the long-term impact on participation. We currently have in place an adapted season that has reflected the evolving guidelines on participation sport. Registration numbers are very encouraging but, conversely, we are seeing more games cancelled due to COVID-19. We will maintain a watching brief.

Welsh rugby clubs provide an invaluable service to the people of Wales. It is not a stretch to say their existence benefits the physical (participation) and mental (social cohesion) health of the nation. Community club funding was protected throughout the pandemic by the WRU's policy of ringfencing allocated money to this area of the game. This meant our professional game suffered most acutely. Should restrictions return to the professional game, particularly those that would limit attendance at matches, our ability to continue to do this would be threatened.

There was a significant tension when rugby was either not allowed at the community level or truncated in a phased return that was in keeping with Public Health Wales guidelines. Our approach was to balance the health benefits of participating in the game with the broader health crisis facing the nation. The game wanted to 'do the right thing' – we are proud of the efforts of all our volunteers at all our clubs, but this approach was not without its challenges. We exist to promote rugby and stopping people from playing the game was extremely difficult with, for example, understandably vexed parents arguing passionately with the WRU about the unintended consequences of children not having access to sport. Through a mix of government and WRU funding we have the same number clubs as we did pre-pandemic. We regard this as a huge success story and the clubs themselves deserve significant recognition for the work that went into their survival. Some clubs still face real challenges, but we would like to acknowledge that government support, through various grants and schemes, proved vital to their continued existence.

Schools rugby sits outside the remit of the WRU, with the exception of the 100 School Hub Officers part funded by the WRU. These Hub officers were re-deployed by schools to other non-rugby roles during the height of COVID-19. This is something we were more than happy to support. Anecdotally, we understand that less schools rugby is taking place and this is driven by the schools approach to the risk of playing games against other schools.

Whilst female participation in the community game continues to rise, the performance end of the game has been hard hit. We received exemptions for the Wales Women's team to play games, however top end club rugby was treated as non-professional. This resulted in the majority of players joining clubs in England in order to keep playing.

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WRU revenue took a huge hit. Even with government support, revenue was down 40% compared to the two-year average pre-Covid-19. Without government support, this figure is nearer 60%. A full Principality Stadium is key to our ability to generate revenue. This goes beyond ticket sales and has a knock impact on food and beverage, merchandise and, less obviously, sponsorship and broadcast income. The drop in revenue was most sharply felt by our ability to fund the professional teams in Wales (as it has been WRU policy to ringfence funding for our community game). We have a Professional Rugby Agreement (PRA) that models how funds flow to the professional game. This funding plummeted from c.£20m to c.£5m as a result of the drop in revenue caused by the pandemic. The professional clubs – in turn as important to their communities as employers and community ‘enterprises’ as the WRU – survived in large part due to the CLBILS funds.

As a venue, Principality Stadium generated £4bn of positive impact to the Welsh economy during its first 20 years in existence. With no match nor concert crowds for over a year there will have undoubtedly been a knock-on effect on the hospitality sector, particularly in Cardiff. Time will tell whether different restrictions in Wales to England will have an impact on our venue for non-rugby events. A promoter could look at an English stadium for a music tour if there are less restrictions in place, for example.

Impacts on Welsh rugby as a result of Brexit;

It is extremely difficult to distinguish between the negative impact of COVID-19 and the potential negative impact of Brexit. But the results described above remain the same.

Supply chain issues have occurred, but it is not possible to pinpoint the root cause. It is, as yet, unknown whether Brexit will have an impact on travelling Irish, French or Italian fans during our annual Six Nations competition. We do not traditionally rely on significant numbers of travelling supporters attending our Autumn Nations Series matches.

We know that the cross-border competitions in which we compete – the Six Nations for international matches and United Rugby Championship/EPCR from a region’s perspective – have faced some bureaucratic challenges. An example of this is the VAT.

Welsh rugby priorities for the forthcoming Welsh Government Draft Budget:

Finally, in terms of Welsh rugby’s priorities for the forthcoming Welsh Government Draft Budget, we would very much welcome support in our campaign to retain and improve participation in our community game throughout Wales – both male and female.

The summer camps we ran, free of charge, in the summer of 2021 proved to be hugely successful and popular. We targeted economically deprived and socially excluded communities and would welcome further discussions around this area to establish how rugby can help the wider society of Wales; including the health and well-being agenda.

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In recent years we have worked with our clubs to ensure that their facilities serve the communities in which they are situated. We would welcome discussions with Welsh Government to explore how we can further this ambition of providing 'facilities for all'; possibly in line with other national sporting governing bodies such as the FAW.

Concerning the professional game in Wales, we have been in talks for many months about refinancing the CLBILS loan with government. The CLBILS loan was the basis upon which our regional teams survived the unprecedented impact of the Covid-19 pandemic, but which still weighs heavily on the resources of our regional game, given the repayment profile of any CLBILS loan.

But this life-saving loan is in real danger of becoming a mill-stone around the neck of regional rugby in Wales. If the terms of this loan continue – in contrast to similar funding models in England and Scotland which now carry much more preferential repayment terms – then there is a genuine risk to our professional game. The repercussions would be far reaching as the money simply does not exist to sustain our professional game and do so competitively, under current terms.

We are hugely grateful for the Welsh Government's engagement in this process and understanding of the issue, however, if no solution is forthcoming it should be noted that this will disastrously disadvantage rugby in Wales.

We cannot hope to compete with Scottish and English clubs, on and off the pitch, that have had access to government loans with repayment terms over a much longer time frame than those offered by CLBILS. It will not be a level playing field and the consequences for the game in Wales will be dire.

Finally, in this regard, it would be remiss of me not to again thank government for the c.£13.5m that professional rugby received as part of the Spectator Sports Survival Fund; without that, I very much doubt that all of our professional teams would have got through the pandemic.

To answer the specific question on the women and girls game posed by the committee:

The WRU ONside project is an ongoing campaign which aims to break down the barriers of the menstrual cycle and creating a safe environment for females to participate in rugby.

The campaign seeks to educate coaches around the menstrual cycle and the impact on training and performance. It provides information and resources about the menstrual cycle which are accessible and can be applied in practice by coaches, describing key symptoms and strategies to manage this to reduce negative perception and impact. The overall aim is to try and break down the stigma of periods and create a safe environment in clubs for discussion on the subject.

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The WRU purchases 10,000 period products (Tampons & Pads) for all rugby clubs that provide a rugby service to females in Wales, around 85 clubs. We have also purchased a 'Fab Little Bag' dispenser for every club and two for those clubs involved in providing rugby activity so it can go in the changing facilities. Each dispenser has 100 eco-friendly 'Fab Little Bags' that allow for discreet disposal of used products and aims to avoid the need to flush or take products home. Some of these products will also be used in the WRU's poverty strategy project in the Merthyr Borough Council area.

We have also created video content advising on creating the correct environment for females in the game. Kit considerations like not having white shorts in playing kit and ensuring toilet facilities are accessible, clean and hygienic so females feel they can change their products in a safe environment.

We have worked alongside Dr Natalie Brown from Swansea University to develop 'Continued Professional Development' topics and courses for coaches currently coaching in the female game. We are also integrating elements of the Menstrual cycle 101 training into formalised WRU coach education training.

The information and content developed will also be placed online, on the 'WRU Game Locker', for availability to general public and as a reference point for coaches.

I would like to close by thanking you for the opportunity to share with the committee the impact of Covid-19 on our game and the wider sports sector. We have found that the various arms of Welsh Government worked collegiately with us throughout. From the conversion of the Principality Stadium to a surge hospital to the return of the community game, up to the re-admittance of fans for our game against New Zealand. For this, we are very grateful.

Yours sincerely



Steve Phillips
Group Chief Executive