RFU

3 THE RFU'S ENVIRONMENT

THE RFU'S ENVIRONMENT

WORLD RUGBY STATISTICS

Rugby playing countries are interdependent and it is important that we understand our relative position within the global rugby community and whether trends that we experience in England are the same as elsewhere. Through an appreciation of developments in other countries, we can learn and develop ourselves.

PLAYING PARTICIPATION: MEN

3 England is the largest rugby-playing nation in the world. It has some 686,000 playing participants, accounting for 34.6% of the participants in the top ten rugby playing countries. The nearest country to England in terms of size is South Africa, accounting for 24.6% of all participants. Overall the IRB statistics show that the game has grown by 13.4% since 2007 with England, the largest country, growing by 4.4%. Table 1 sets out the number of participants in each major country divided into Adult, Youth and Mini/Junior categories as recorded by the IRB.

TABLE 1 – PLAYING PARTICIPANTS: MEN

			2008 in '000s		2004	2007	2008
	Adult	**Youth**	**Mini/Jun**	**Total**	**Share %**	**Share %**	**Share %**
England	177	89	420	686	32.7%	37.6%	34.6%
South Africa	69	144	274	487	30.3%	25.5%	24.6%
France	91	106	75	272	11.5%	11.8%	13.7%
New Zealand	29	38	62	129	6.7%	7.5%	6.5%
Ireland	25	38	39	102	2.7%	5.0%	5.1%
Australia	36	18	26	80	7.3%	3.7%	4.0%
Argentina*	21	24	46	91	2.6%	2.9%	4.6%
Italy	14	22	22	58	1.9%	2.4%	2.9%
Wales	47	0	0	47	2.9%	2.3%	2.4%
Scotland	11	13	8	32	1.4%	1.4%	1.6%
Totals	**520**	**492**	**972**	**1984**	**100.0%**	**100.0%**	**100.0%**

Source: IRB

4 There are significant differences between the largest five countries in the breakdown of participants between the different age categories. In England 74.2% of its participants are in the Junior/Mini category, slightly above the average of the major countries. On the other hand England has the lowest percentage in the youth category of any of the countries at 13.0%. England has continued to be successful in growing the Mini/Junior market but has been less successful in retaining these players into Youth rugby. The figures are presented in table 2 opposite:

TABLE 2 – AGE GRADE: PARTICIPANT SHARES

	Adult	Youth	Mini/Jun	Total
England	25.8%	13.0%	61.2%	100.0%
South Africa	14.2%	29.6%	56.3%	100.0%
New Zealand	33.5%	39.0%	27.6%	100.0%
France	22.5%	29.5%	48.1%	100.0%
Australia	24.5%	37.3%	38.2%	100.0%
Ireland	45.0%	22.5%	32.5%	100.0%
Wales	23.1%	26.4%	50.6%	100.0%
Scotland	24.1%	37.9%	37.9%	100.0%
Argentina	100.0%	0.0%	0.0%	100.0%
Italy	34.4%	40.6%	25.0%	100.0%
Totals	**26.2%**	**24.8%**	**49.0%**	**100.0%**

Source: IRB

5 The continued growth in the adult game indicates that other factors are affecting Youth players and their participation in the game. There are many social and lifestyle pressures on young people in England that are not faced in other countries, such as the pressure on achieving annual exam success. Research undertaken by Bedford College of Further Education has identified that the primary reason for local 'colts' ceasing to play the game was parental pressure to do well in their exams.

PLAYING PARTICIPATION: WOMEN

6 Women's rugby is becoming an increasing part of the game with many young girls playing tag and touch rugby up to the age of 13 within a mixed gender environment in clubs. There then tends to be a gap in participation with many women returning to the game when they attend HE and FE institutions. Working in partnership with the RFUW, we aim to create and support an environment that promotes, develops and sustains opportunities for women and girls to participate and achieve their potential in rugby so that it is recognised as one of the most enjoyable and empowering team sports for women and girls. The current participation levels are presented in Table 3 below.

TABLE 3 – PLAYING PARTICIPANTS: WOMEN

	2007 in '000s				
	Adult	Youth	Mini/Jun	Totals	Share %
England	8.51	21.36	29.00	58.87	51.4%
South Africa	7.81	7.60	2.25	17.66	15.4%
Ireland	1.76	0.80	10.00	12.56	11.0%
New Zealand	1.34	4.64	5.02	11.00	9.6%
France	2.38	1.86	1.11	5.35	4.7%
Italy	0.46	0.62	2.35	3.43	3.0%
Wales	1.00	1.00	1.00	3.00	2.6%
Australia	1.45	0.05	0.50	2.00	1.7%
Scotland	0.45	0.21	–	0.66	0.6%
Totals	**25.16**	**38.14**	**51.23**	**114.53**	**100.0%**

Source: IRB

COACHES AND REFEREES

7 In terms of numbers, England also has a clear lead over other countries with 25,300 coaches or some 26.7% of all coaches in the top ten countries. However, in terms of the key players per coach ratio, England has 26.0 players per coach which is poorer than the average across the top

countries of 17.9 players per coach. Overall the coach statistics recorded by the IRB, set out in Table 4 below, show that England needs another 12,000 coaches to improve its players to coach ratio to the average of the ten top countries.

TABLE 4 – COACH PARTICIPATION

	2007 in '000s		
	Coaches	**Share %**	**Players/Coach**
England	25.3	26.7%	26.0
South Africa	22.3	23.5%	20.0
France	15.1	15.9%	13.7
New Zealand	7.8	8.2%	11.3
Australia	9.3	9.8%	8.7
Ireland	5.8	6.1%	11.0
Scotland	–	–	–
Italy	–	–	–
Argentina	9.1	9.6%	4.4
Wales	–	–	–
Totals	**94.7**	**100.0%**	**17.9**

Source: IRB

8 England also has the largest number of referees of any of the top ten countries with 33,300 giving us a share of 61.4% with Australia in second place at 10.0%. On a players per referee basis, England also comes out on top with 8.0 players per referee against an average of 18.7 players per referee across the top ten countries. The figures are set out in Table 5 below.

TABLE 5 – REFEREE PARTICIPATION

	2008 in '000s		
	Referees	**Share %**	**Players/Referee**
England	33.3	61.4%	8.0
South Africa	1.5	2.8%	142.0
France	2.1	3.9%	93.8
New Zealand	2.3	4.2%	29.1
Ireland	3.0	5.5%	21.0
Australia	5.4	10.0%	10.0
Argentina	0.7	1.3%	64.3
Italy	0.7	1.3%	51.4
Wales	1.8	3.3%	26.1
Scotland	3.4	6.3%	7.1
Totals	**54.2**	**100.0%**	**18.7**

Source: IRB

NUMBER OF CLUBS

9 In terms of the number of clubs, England is comfortably the largest rugby playing nation with some 1,900 clubs accounting for 22.3% of all clubs amongst the top 10 countries. South Africa is the second largest country, with 1,720 clubs and France is third, with 1,683 clubs. It is also interesting to look at the average size of clubs in each country as measured by the number of players. Ireland has the largest clubs with an average of 490 players per club, followed by England with 361 players per club and South Africa with 283 players per club. The figures are presented in Table 6 opposite.

TABLE 6 – NUMBER OF CLUBS

	2007 Figures		
	Clubs	**Share %**	**Players/Club**
England	1900	22.3%	361
South Africa	1720	20.2%	283
France	1683	19.8%	162
New Zealand	595	7.0%	217
Ireland	208	2.4%	490
Australia	848	10.0%	94
Argentina	375	4.4%	243
Italy	718	8.4%	81
Wales	239	2.8%	197
Scotland	234	2.8%	137
Totals	**8520**	**100.0%**	**233**

Source: IRB

10 The above statistics for world rugby, whilst the best available, need to be treated with some caution. They are probably reasonable indicators of the relative position between countries but are likely to be less reliable as absolute numbers. They show that England's position in world rugby overall looks sound when compared to the other nations but there are three areas which are of concern, as set out below, and which this Plan seeks to address:

i) The fall off in players post the Mini/Junior stage;
ii) The need to improve our players/coach ratio through further investment in coaching;
iii) The need to improve significantly our players/referee ratio through further investment in referee development.

HOW HAS THE GAME GROWN SINCE 2003?

11 Rugby in England has now been through the first iteration of the four year planning cycle following the 2003 RWC, where we focussed RFU resources on an activity cycle of *Infrastructure – People –Recruit – Retain*. There can be no doubt that the impact of both winning the RWC in 2003 and reaching the final in 2007 has had a significant positive impact upon the sport as a whole and participation in the Community game in particular. We have now refined the activity cycle for the purposes of this Plan into two main blocks of 'Recruit and Retain' and 'People and Places' in order to give a prolonged focus on each of these areas as, for example, recruitment does not cease at the end of the recruitment year.

12 The growth of the Community game since RWC 2003 has been significant. The number of adult players (helped by the Go Play project) has grown by 12.1%, Youth players by 27% and Mini/Junior players by 49.2%. There have also been significant increases in the number of Coaches (+74%), Referees (+61%) and Volunteers (+41%). Although the annual rate of increase, understandably, declined in each of the cycle years, the Go Play campaign was successful in lifting participation levels significantly in the last year of the cycle. The figures for each year of the cycle post the RWC 2003 are presented in Table 7 overleaf.

TABLE 7 – GROWTH IN COMMUNITY RUGBY OVER CYCLE

	Annual Growth in each year of cycle				Growth over 4yr Cycle
	RWC+1	RWC+2	RWC+3	RWC+4	
Adult players	2.7%	1.6%	–1.0%	8.8%	12.1%
Youth players	4.1%	11.7%	1.0%	10.2%	27.0%
Mini/Junior players	12.0%	12.7%	2.0%	22.5%	49.2%
Referees	14.8%	12.1%	10.5%	13.2%	61.0%
Coaches – Adult	16.0%	14.1%	6.0% }	}	
Coaches – Youth	17.0%	14.8%	10.0% }	23.0% }	74.0%
Coaches – Mini/Junior	16.0%	10.0%	7.0% }	}	
Volunteers	8.6%	11.7%	11.7%	4.2%	41.2%

Source: RFU Questionnaire and Go Play results

UK GOVERNMENT FUNDING OF SPORT

13 A number of Government sponsored reports in recent years have shown that funding levels for sport in England fall well below those in most European countries. The *Carter Report*, published in 2005, revealed that the public investment in sport in England per head of the population was some 37% less than the average of our peer group of countries. This equates to an underfunding of sport by Government in England of some £1.2 bn per annum.

14 It is difficult to establish the precise figures for public investment in sport due to its fragmented nature. There is some evidence of an increased spend per person on sport over the last three years if the funding from the Department for Children Schools and Families and the Capital Modernisation Fund for School Sport and Space for Sports and Arts respectively are included. However this is more than offset by the fall in Lottery funding as the table below shows with overall investment in sport falling by 18% over the last three years.

TABLE 8

	Sport Investment/Head of Pop'n in £			Population	Investment
	Public	Lottery	Total	Millions	In £m
2005/06	5.78	8.82	14.60	50.43	736.3
2006/07	7.72	6.99	14.71	50.76	746.7
2007/08	7.96	4.16	12.12	51.02	618.4

15 This underfunding in Exchequer funding has been exacerbated by the diversion of National Lottery funds to other 'good causes' by the Government. This has resulted in a decline in the amount of lottery funding going directly into sport from £397m in 1998 to £208m in 2006. This, together with an estimated £540m diverted away from grassroots sports to fund the Olympic Games, highlights the current troubled funding environment for sport in England. We are supportive of the calls for the National Lottery to return to its original 'four pillars' and Camelot's proposal to enhance funding streams through a change to Gross Profit Taxation (GPT) of the Lottery. This could provide an additional £800m for investment in grassroots sports and we will join with the other sports NGBs in campaigning for the return of the National Lottery to its original 'four pillars' and a change to the GPT.

FUNDING FOR SPORT IS FRAGMENTED AND INEFFICIENT

16 In conjunction with the other major sports we have been lobbying Government to address the fragmented nature of sports investment in the UK. This fragmentation leads to a number of

problems at grass roots level, including multiple agencies all working in different areas or sports. This inevitably leads to a degree of confusion due to a lack of communication between local bodies. There is often an absence of 'joined up' thinking at local level, which may lead to over-investment (in terms of facilities, coaches or development workers) in some areas and under-investment in others. We have been pressing for the various funding streams and implementation strategies to be coordinated and rationalised if delivery of funding into sport is to have maximum benefit.

17 We have also been pressing the case that it is more effective for funding to be planned in conjunction with and/or channelled through the major NGBs to ensure that there is coordinated development at all levels within each sport. The major NGBs are clearly best placed to achieve this, as they each have comprehensive Strategic Plans, developed networks within their sports and have the local delivery structures to ensure that increased participation rates are achieved.

18 We welcome the recent announcements by DCMS and Sport England of a new strategic approach by Sport England which will start to address some of the issues set out above. Key to this new approach is a commitment of Sport England to work with and through NGBs as the main delivery arm for each sport. This will enable national plans and strategies to be implemented as opposed to a number of individual regional plans. Under this new strategic approach Sport England will be providing a single funding stream to each sport against that sport's Whole Sport Plan which will include the following:

i) Core NGB funding;
ii) Community coaches funding;
iii) Capital funding to replace CCDP;
iv) Capital funding to replace NSF;
v) Women's section funding.

THE TAXATION OF SPORT

19 The corporate tax system in the UK places sports NGBs at a disadvantage compared to 'mainstream' business. This is in stark contrast to their counterparts in many other countries where sports' NGBs, as special not-for-profit organisations, are tax exempt. The principal reasons why sport in the UK is in a worse position than mainstream commercial organisations are as follows:

i) The community or 'grass roots' development costs are often not tax deductible which acts as an effective tax on NGBs investment in 'grassroots' sport;
ii) Tax relief for the capital cost of new facilities is very limited, being restricted to the plant and machinery element contained in the project. This can be contrasted with hotels (also part of the leisure sector), which obtain tax relief for the entire cost of new facilities.

20 We believe the taxation position of sports NGBs is inequitable and contrary to Government Policy. NGBs exist to promote their respective sports, support their member clubs and provide significant public benefit. Under current tax law, NGBs enjoy no corporation tax exemptions and suffer significant tax costs. The effective tax rates payable on their profits are thus often significantly in excess of the statutory rate of 30% and higher than their commercial counterparts. A sports governing body which financially breaks even because it invests its surpluses in development of its sport would find itself paying corporation tax because of the disallowance of its development costs.

21 We believe that the major sports have won the intellectual argument with Government over tax exemption. However, it has still not been delivered in a government budget. It is therefore essential that the RFU, together with the other major sports, maintain their lobbying campaign with Government to secure corporation tax exemption or a different treatment of allowable expenses. This would enable more funds to be invested in grass roots sport, remove the distraction of management time and effort spent on corporation tax mitigation and compliance and create a more stable financial framework for running sport at the national level.