

12 **CORPORATE  
GOVERNANCE AND  
GAME  
MANAGEMENT**



# CORPORATE GOVERNANCE AND GAME MANAGEMENT

## OBJECTIVES

### CORPORATE GOVERNANCE

*The RFU to become the sole National Governing Body for rugby union for both genders and in all its forms in England*

**674** It is Government policy that there should only be one governing body for each sport in England. The women's game in England, although largely integrated with the RFU in an operational sense, has maintained a separate governing body in the RFUW. It has now been agreed that the RFUW should become fully integrated into the RFU and this process will be completed early in the Plan period.

**675** In recent years there has been rapid growth in leisure forms of the game covering touch, tag, beach and 10s. Some of these forms of the game have developed organising committees and have commercial partners involved. It is important that these new forms of the game of rugby union should also come under the RFU's governance. Over the course of the Plan period the RFU should include in its regulations separate sections covering touch, tag, beach and 10s rugby.

*Continue to improve the efficiency and effectiveness of our management and administrative structures*

**676** Having an effective and efficient management structure is a critical driver of the RFU's success both off and on the pitch. We have made much progress in recent years in streamlining and improving the decision-making process and we should continue to seek to evolve and make improvements in this area over the Plan period. We should also seek to ensure that decisions, where appropriate, are taken with the right level of democratic input from the representative elements of our structure.

*Manage the RFU to PLC standards*

**677** The RFU is now a large and complex organisation with significant business interests. It is very much in the public eye, recognised by Government as the sole NGB for rugby union and, as such, is in receipt of public money. It is therefore essential that we aspire to the highest standard of corporate governance. Such standards are widely accepted as those expected of PLCs and whilst not all such standards are applicable to the RFU, there are many areas where achieving these levels of corporate governance will be of benefit to the RFU. One such area is risk management and this is covered separately below.

***Achieve registration to ISO 9001 for appropriate elements of our business over the Plan period***

- 678** It is normal for large organisations providing goods and services to customers to seek an independent assessment of their effectiveness, customer satisfaction and quality. The recognised international standard for achieving this is EN: ISO9001-2000. In its latest format this Quality Management System is focused on business improvement rather than the historical methodology of consistent processes. Registration to the standard is a pre-requisite for doing business in many market sectors such as automotive, construction, manufacturing and in securing public sector contracts with the NHS, MOD and local authorities.
- 679** As the RFU operations grow in complexity it is our intention to seek registration to ISO 9001 with a carefully chosen scope encompassing the RFU commercial activities and the services delivered to the game. The Marriott Twickenham Hotel, Virgin Active Classic Health and Leisure Club and TEL will all be considered for ISO 9001 registration to demonstrate our commitment to a sound process for quality management.

***Maintain compliance with the Combined Code regarding Risk Management***

- 680** A key aspect of corporate governance and one which is rapidly growing in importance is that of risk management in its broadest sense as opposed to the more traditional compliance related areas of health and safety and insurance. The RFU is currently compliant with the risk management section of the Combined Code, which sets out the standards required of PLCs in this area, and we aim to continue to achieve compliance throughout the period of this plan.

***Protect and promote the game's Core Values***

- 681** The game's Core Values (sometimes referred to as the Ethos and Culture of the Game) are a fundamental part of the game of rugby union and play a key role in differentiating our game from other sports. These Core Values of the game are:
- i) A game for all shapes and sizes providing an inclusive, healthy, physical and enjoyable activity where participants are reliant on each other;
  - ii) A game requiring teamwork coupled with discipline and respect for others;
  - iii) A game requiring sportsmanship and fair play and where lifelong friendships are made.

These Core Values are a key driver in attracting and retaining participants at all levels. The essential ingredients are:

Enjoyment	Teamwork	Discipline	Respect	Sportsmanship
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- 682** We believe that it is critical to maintain these standards and to that end the following recommendations of the Rugby Core Values Task Group (formerly the Ethos and Culture of the Game Task Group) will be implemented over the course of the Plan period:
- i) A simple, clear expression of the desired values will be established to sit over every clubhouse, school and stadium door. In other words, a simple effective strap line of what the game is about;
  - ii) The Core Values will be communicated by the RFU to all participants by:
    - reminding existing participants;
    - informing new participants;
    - publishing them in all Twickenham match programmes;

- iii) A 'headline' standard concise RFU Code of Conduct that restates the key underpinning Core Values will be agreed and published. All other Codes of Conduct will flow from this central code.

***Maximise use of on-line questionnaires for game wide consultation as the norm***

- 683** We have conducted a number of consultation exercises with the game using on-line surveys. These are proving increasingly popular and effective as seen by the 20,000+ responses to the ELVs survey, the 7,500 responses to the Rugby Landscape survey and the 5,000+ responses to the Strategic Plan review survey. The use of on-line consultation will now become the norm within the RFU with all consultation exercises.

## **GAME MANAGEMENT**

***Ensure that 50% of all Section 1 Clubs (excluding Services and Students clubs) are incorporated by the end of the Plan period***

- 684** We know that a significant number of clubs are unincorporated associations. Given the potential liabilities that could fall on club members, combined with the increasing frequency of litigation, we believe that this poses a significant and unnecessary risk to those clubs, their officials and members. We are therefore targeting over the Plan period for 50% of Section 1 clubs to become incorporated.

***Achieve 650 clubs as CASC or charity registered by the end of the Plan period***

- 685** Registering as a CASC or a charity can potentially be of significant benefit to a large number of clubs by providing mandatory rate relief and other tax exemptions. We now have approximately 329 member clubs registered as CASCs and we should continue to actively encourage clubs to consider this with an aim of having 650 clubs CASC or charity registered by the end of the Plan period.

***Update the RFU Rules to remove ambiguities and anomalies***

- 686** The RFU Rules have been amended piece meal for a number of years and, as a result, there are now a number of ambiguities and anomalies. There may also be changes required to the Rules to implement any recommendations of the Constitutional Review Task Group which are approved by Council and the game. We would therefore propose that a review of the Rules is conducted at the same time as any changes resulting from the CRTG proposals to remove the ambiguities and anomalies.

***Remain as a leader in the discipline field amongst sports governing bodies worldwide***

- 687** As the largest Union in the global game and a high profile sports governing body we must maintain the highest standards in our disciplinary processes and maintain our position as a leader in the field. The Discipline Department will constantly strive to improve best practice at disciplinary hearings not only those under its direct remit but also those carried out by clubs and CBs.

***Undertake regular best value reviews within all departments to ensure that the RFU is operating in the upper quartile of the 5 Sports and similar sized commercial organisations***

**688** The RFU is now a large and complex organisation in receipt of potentially significant Government monies. The annual assurance procedures expect that the RFU demonstrates that it is both commissioning external services and operating internally on a best value basis. We will monitor and compare our performance levels in all major areas to those in the other major NGBs and global rugby Unions on an annual basis.

***Establish bench mark ratios to track RFU operational efficiency against other major Unions, NGBs and commercial organisations of similar nature and size***

**689** In an increasingly competitive world and one currently entering the deepest recession in living memory it is important that we continually strive to improve our operational efficiency. We will establish bench mark ratios to track our efficiency and compare our performance on an annual basis against an agreed peer group of comparator organisations.

**690** We will seek to secure an exchange of information on efficiency with our major sponsors and partner commercial organisations. We will adopt relevant best practice from these organisations and incorporate improved processes in the way we operate. An annual efficiency report will be made to the Management Board once a year.

## HUMAN RESOURCES

***Establish and maintain a learning culture in the RFU***

**691** In recent years we have taken significant steps in developing the learning and development capability in the RFU. Our strategic goal in this area is to embed a learning culture at all levels of the workforce so that personal development is seen as part of a process of continuous improvement and is recognised as the responsibility of the individual.

**692** We have planned a dedicated space – the Open Learning Centre – into the new South Stand offices which employees can use for self-directed learning and development. We will also research the possibility of establishing an RFU Academy to coordinate the various learning and development initiatives undertaken across the RFU. The RFU Academy could be established on a ‘virtual’ basis but other models also exist – the FA for example has established a discrete business unit to coordinate all their learning activities, delivered under an internal learning brand.

***Ensure the adoption of rugby’s Core Values across all RFU employees***

**693** The RFU now covers a wide range of rugby and business activities. One of the objectives of HR is to create a unified culture across the organisation, based on rugby’s Core Values and which reinforces what is special about the game and the RFU. Our aim is to establish the One Team concept where employees both feel a strong connection to their own function but also feel part of the broader team and understand other areas. Key to achieving this will be to continue with the various communication and engagement initiatives (team briefings, all staff briefings, directors’ lunches and staff social events).

***Decentralise the delivery of RFU HR services***

**694** Best practice in relation to the provision of HR services within an organisation has, for a number

of years, involved the decentralisation of HR systems and we believe that we should aim to achieve this over the Plan period. Phase I will involve granting decentralised access to managers for the employee database with Phase II being the roll out of the online facility for the maintenance of personal records of all employees. This will increase the efficiency of our HR administration and will engender a sense of ownership of HR matters by employees. We will also aim to improve the level of integration between HR systems and RugbyFirst in respect of payments to coaches and referees.

- 695** We will also look to extend the provision of flexible benefits to staff, thus placing responsibility on employees for the overall content of their benefit package, and look to introduce performance related elements of compensation for appropriate levels and sections of the employee base.

# STRATEGIES AND PLANS

## CORPORATE GOVERNANCE

### *Implement the Constitutional Review Task Group's recommendations*

- 696** The work of the CRTG is ongoing at the time of writing and is likely to continue into 2009. The terms of reference of the CRTG are far-reaching and include the following:
- i) The criteria for membership;
  - ii) The criteria for CB status and representation on Council;
  - iii) The size, composition and responsibilities of Council;
  - iv) The RFU's Committee and Board structure and terms of reference;
  - v) Council's reserved powers;
  - vi) The methodology for nominations for positions in the RFU;
  - vii) The role, method of selection and tenure of the Chairman of the RFU Management Board.

A key aim in this area for the next period of the Plan will be to implement those recommendations of the CRTG approved by Council (and by the members if requiring a Rule change).

### *Finalise the establishment of the Community Rugby Board*

- 697** The previous Strategic Plan included a strategy to evaluate the potential benefits of setting up a separate Community Rugby Board in order to combine the functions of policy making and executive management. This was originally considered by the CRTG which was in overall support of the concept but it has now been taken on by the Community Rugby Standing Committee. We now need to finalise the proposals to ensure that the Community Rugby Board fits in with and does not conflict with other elements in our corporate and management structure.

### *Link our application to register for ISO 9001 to completion of the launch periods of both the Marriott Twickenham Hotel and the Virgin Active Classic Leisure Club*

- 698** Registration to ISO 9001 will provide a framework in which to consolidate many of the existing RFU procedures necessary for running the game with the added advantage of a formal audit and continuous improvement methodology. Timing for the Union to gain registration may be best linked in with the full operation of the Marriott Twickenham Hotel and the Virgin Active Classic Health and Leisure Club in 2009/10.

### *Risk Management and the Audit and Risk Panel*

- 699** The RFU's Audit and Risk Panel has overall responsibility for supervising the risk management processes of the RFU and discharges this responsibility well. They are assisted in this responsibility by the RFU's retention of industry leading risk management advisors, sports practitioners from Marsh. The terms of reference of the Panel are in accordance with the Smith Report (and therefore the Combined Code) and we will seek to ensure that this remains the case throughout the period of the Plan.
- 700** At a detailed level risk management is run by the Risk Management Group (RMG) which is under

the overall direction of the Finance Director and comprises key directors and departmental heads. The RMG meets three times per annum and monitors the risks the RFU is exposed to by the maintenance of a detailed risk register. All areas of the organisation are reviewed in detail with the relevant Directors and departmental heads being interviewed on a cyclical basis and progress against the risk action plans is reported to the RMG. The RFU Chief Executive is interviewed annually when all the risks of the organisation are reviewed. The significant risks of the organisation are monitored through the quarterly departmental reviews undertaken by the Chief Executive and Finance Director. Minutes of meetings of the RMG are circulated both to the Audit and Risk Panel and to the Management Board.

- 701** The RFU also has an Internal Auditor whose work is under the overall direction of the Audit and Risk Panel, including the sign off of the annual audit plan and the consideration of the findings from the audit reports. The internal auditor also has a role in reviewing and critiquing the RFU's risk management programme.

***Develop and implement a range of action programmes to promote the Core Values of the game consistently and widely***

- 702** We will develop a range of programme to embed the Core Values in everything we do in both the Elite and Community games. It is important that we keep the Core Values in the forefront of all participants including players, coaches, volunteers, match officials, administrators, spectators and other supporters at every level of the game. We will seek to involve selected role models to underpin and demonstrate the benefits of the Core Values.
- 703** We will recommend to the members that the RFU's Objects, within RFU Rule 3, be amended to include reference to the RFU's obligations to champion, promote and support the Core Values of the game.
- 704** We will review the way that the RFU presents itself to its membership, its supporters, its business partners and the public at large to ensure that we demonstrate the Core Values in our leadership, management and presentation of the game.

***Complete the integration of the RFUW within the RFU***

- 705** The RFUW has now been fully integrated with the RFU in most operational respects and this has now been accepted by Sport England. An RFU/RFUW task group is currently looking at constitutional and structural issues including whether the RFUW should become a national representative body of the RFU and what needs to be done to implement this proposal.

***Produce a template for regular on-line consultation surveys and a facility regularly assessing the game's views of hot topics via iRugby***

- 706** With on-line surveys becoming the norm for game wide consultation exercises we need to investigate whether we can reduce the cost of these surveys by creating a standard IT architecture into which most surveys could fit. At the moment each survey is bespoke so we start again from scratch each time with the associated cost implications. We also need to evaluate whether we can create a more automated results reporting structure for these surveys to shorten timescales and reduce costs.

## GAME MANAGEMENT

### *Establish an Efficiency Committee as a sub committee of the Executive Committee*

**707** To ensure that we deliver on our objective of continually improving our operational efficiency, a permanent Efficiency Committee will be established as a sub committee of the Executive Committee and reporting to it at each Executive Committee meeting. This sub committee will be responsible for drawing up the relevant bench mark ratios to monitor our efficiency and for drawing up the plans to secure and exchange information with our peer group comparator organisations, sponsors and commercial partners.

### *Continue to promote the incorporation of clubs and the use of CASCs*

**708** We have taken active steps in recent years to promote the incorporation of clubs and their registration as CASCs. A thorough review needs to be conducted as to how clubs are structured. Many have mini and junior sections that are separate from the adult sections. Others pay players through different vehicles. These more complex arrangements may defeat one of the objectives on incorporation if some elements of the club fall outside the corporate vehicle. In terms of CASC status the RFU will continue to provide guidance to clubs so that they are structured in the most appropriate way. The RFU will also provide guidance in terms of clubs registering their charitable status as this may provide more flexibility than CASC registration in certain circumstances.

### *Secure the enforcement of all Regulations and remove those that are no longer necessary*

**709** The RFU's policy on enforcement of regulations needs to be carefully thought through. If regulations are not being enforced then the credibility of our regulatory system itself is undermined. We are aware that some regulations have not, in the past, been observed or enforced. This needs to change. We will put in place the right procedures over the Plan period to ensure that all regulations capable of being monitored will be monitored and a report will be submitted annually to the Governance Standing Committee.

## HUMAN RESOURCES

### *Establish HR alliances with the RFU's business and rugby partners*

**710** Following the opening of the Marriott Twickenham Hotel and the Virgin Active Classic Health and Leisure Club, we will seek to collaborate with our counterparts in these organisations on best practice and possible career development opportunities. We will also develop the concept of HR partnering within the RFU, where HR Partners work closely with their functional client groups and develop a closer understanding of their business and operational needs.

### *Develop and implement a competency framework for all RFU employees*

**711** We have, within the RFU, a well developed performance management framework. This starts with the Strategic Plan which sets the overall performance goals; the annual Business Plan sets the objectives and targets for the year and these are reported against at both summary and detailed level in the monthly Board and Executive Committee reports. The departmental objectives then form the basis of the directors' and senior managers' performance appraisals which are conducted annually.

**712** An area that we want to develop further is a competency framework which is specific to the RFU, relates to the requirements of the Strategic Plan and annual Business Plans and which is detailed enough to be insightful during the performance appraisal process. In the next Plan period, therefore, a key HR objective will be to develop a new competency framework covering all RFU roles.

***Develop and implement a career development and succession planning framework***

**713** The opportunities for implementing formal career development and succession planning processes in small to medium sized entities are inevitably limited. We believe that as the RFU grows in size it would be beneficial to introduce a formalised career development and succession planning process. The partnerships we intend to develop with Marriott and Virgin should increase the scope for developing these areas of our HR planning. We therefore will introduce in the Plan period a framework which identifies key individuals, both current senior executives and those with the potential to develop into one, and use this to identify career development opportunities and gaps in our succession planning.

***Introduce diversity training for all Executive Committee and Board members***

**714** The RFU and the RFUW are fully committed to equality and diversity issues. A series of cross-departmental groups will be established to look at the leadership and management of equality issues and issue specific matters such as gender, ethnicity, sexuality, social inclusion and disability. The Equality and Leadership Group will develop a bespoke Diversity Training Programme for all Board members, Executive Committee members, staff and selected volunteers. The programme will also include a promotional campaign (posters, e-surveys and email banner messages) highlighting the issues of diversity within the workforce. The training programme will encompass the staff induction programme, lunch and learn sessions and a series of workshops.