

This pdf file contains two documents.

Document 1

Status report on the recommendations made in the Review of the Appointment and Departure of the RFU CEO – June 2011 (Blackett Review)

Document 2

**The Review of the Appointment and Departure of the RFU CEO June 2011
(The Blackett Review)**

Status report on the recommendations made in the Review of the Appointment and Departure of the RFU CEO – June 2011 (Blackett Review)

The table below sets out the recommendations made on pages 28-31 of the Review and the actions that have taken place since the Annual General Meeting on July 10.

Recommendation	Actions	Responsibility
1 Martyn Thomas should withdraw his candidacy for Chairman of the Board at the AGM on 10 July and resign from all of his other non-executive roles (apart from Chair England Rugby 2015).	Martyn Thomas stood down as Chairman. He retains his other non-executive roles	Council
2 The 'casual vacancy' thereby created should be filled by a nominee from the Council in accordance with RFU Rule 15.3	Paul Murphy appointed Chairman until July 2012 in accordance with RFU Rule 15.3.	Council
3 A Special General Meeting should be called by Council so that a new Chairman may be elected.	Not required as Paul Murphy is in place until July 2012 AGM.	
4 All of the non-executive members of the Board (apart from the co-opted member Bill Beaumont) should resign from the board and from the positions which give them automatic membership of the Board with immediate effect	Council supported a vote of confidence in the Board on July 10. It should be noted that six of the 13 places on the Board changed hands this summer.	Council
5 The Nominations Committee should propose replacements and there should be an additional Council meeting in late August/early September when they can be elected.	Not applicable (see recommendation 4 above).	
6 The new Board should find a suitably qualified independent non-executive director as quickly as possible for recommendation to Council by no later than 31 October 2011.	On target. Consultant engaged to assist search, interview panel agreed, terms of reference and person spec in place. Initial interviews in September and indication that two independent no-executive directors may be appointed.	Chairman
7 The Media Protocol should be strengthened to state that nobody should provide any information to members of the press without first seeking clearance from the Corporate Communications and Public Affairs Director.	RFU Head of Media Will Chignell now leading Corporate Communications and will be requested to review the Council and Broad press protocol, including new media such as Twitter and Facebook to be included in the review. Target date for report to Council is its next meeting in December.	Chief Executive

<p>8 Governance Committee be tasked with examining proposals for rule changes at the next AGM which facilitate the following:</p> <ul style="list-style-type: none"> • President should be a non-voting ex officio member of the Board • The composition of the Board should be based not only on election from Council but also on skill sets of individuals • Best practice in sports governance should be adopted. 	<p>Governance to act on first two points. Board and Council have agreed to an external audit of governance and an experienced organisation has been agreed. The audit will include benchmarking against the “Voluntary Code of Good Governance for Sport and Recreation”.</p>	<p>Nominations, Governance, Council</p>
<p>9 There should be no further changes to the structure of the Union approved by Board on 5 January 2011 until a new CEO is in place.</p>	<p>Withdrawn. Board will undertake Executive Restructure but principle of putting rugby at centre of the business remains.</p>	
<p>10 The recruitment of a new CEO should be conducted by an appropriately qualified panel which should ensure that candidate assessments test fully the required experience, know-how and style to achieve complex corporate change whilst concurrently delivering immediate business results.</p>	<p>List of Recruitment Consultants established. Panel to decide on selection of which consultant agreed. Job Description and Person Spec reviewed. Selection of recruitment consultant planned for September and target appointment date is 31/12/2011 or earlier. On target.</p>	<p>Chairman</p>
<p>11 The Chairman of the Board should implement more effective performance management and support practices with the CEO.</p>	<p>Rolling weekly reviews between Chair and CEO in place. Set of objectives are agreed and linked to any CEO Bonus. The CEO is focused totally on his Executive role.</p>	<p>Chairman</p>



**The Review of the Appointment
And Departure of the RFU CEO
June 2011
(The Blakett Review)**

1 September 2011

Document Control

Original

Sign off by full Panel	8 July 2011
E-release to Council and Board	8 July 2011
Legal Officer, Deputy Legal Officer, Director of Communications	8 July 2011
Hard Copy release to Council	10 July 2011

Revised following requested feedback

Incorporates all comments forwarded to the Panel as requested at RFU Council 10 July 2011. This revised version includes comments received by 31 August 2011. All comments received have been tested, by the panel, against the original evidence. The panel do not consider that any of the changes made effect the main conclusions of the review or the recommendations that flowed from them which were originally presented to the RFU Council on 10 July 2011.

Comments were received from:

J Dance 10 July 2011
J Douglas 15 July 2011
I Metcalfe 8 July 2011
J Owen 29 August 2011
M Thomas 30 August 2011
K Vleck 3 August 2011

1 September 2011 report includes changes to:

Para 38
Para 43
Para 51
Para 52
Para 65
Para 68
Para 77
Recommendation 8 (Notes)

Sign off by full Panel

1 Sept 2011

The report below reflects the unanimous views of all members of the Review Panel. It consists of the following parts:

Signature Page

Report

Annexes:

- A. Blakett Review Terms of Reference**
- B. Catalogue of documentary and oral evidence received**
- C. Analysis of press reports**
- D. Chief Executive's Objectives for 2010/11 and Terms of Reference**
- E. Charles Russell (John Steele's solicitor) letter dated 14 June 2011**

Signed on hard copy on 1 September 2011:

HHJ Jeff Blakett (Chairman)

Lt Cdr Geraint Ashton Jones RN

Mr Vic Luck

Mr Malcolm Wharton

Mr Andy Reed

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Introduction

1. At the RFU Council meeting on 10 June 2011, the Chairman, Martyn Thomas, announced that the CEO, John Steele, and the RFU had parted company. The Chairman reported that the parties had signed a compromise agreement which prevented him from explaining the reasons for John Steele's departure, but he said that the Board of Directors had lost confidence in his ability to lead the Union towards the RWC 2015.
2. A number of members of Council were concerned and suggested that John Steele be permitted to address Council and to answer questions. Legal advice was that this would be inappropriate. Following extensive debate Council decided that they wanted to know more about what had occurred. They established a review under the Chairmanship of HHJ Jeff Blackett to inquire into the circumstances surrounding the departure of John Steele and to submit a written report to inform their further debate on the issue at a Council meeting immediately before the 2011 AGM on 10 July.
3. The Terms of Reference for this review, which were subsequently approved by Council, are attached at Annex A.
4. The Review Panel comprised three RFU Council and two independent members:

HHJ Jeff Blackett (RFU Hon Disciplinary Officer) - Chairman
Lt Cdr Geraint Ashton Jones RN (Council member for the Royal Navy)
Mr Malcolm Wharton (Council member for England Colleges)
Mr Vic Luck (Director Foundation for Leadership through Sport)
Mr Andy Reed (Chair Sport and Recreation Alliance)
5. The Review Panel interviewed and received written submissions from the people and organisations listed at Annex B. It also sought written submissions from former employees of the RFU who had left during the past 9 months. Some provided written submissions but others were not prepared to participate in the review without first receiving legal advice about compromise agreements which they had signed. The RFU would not give, or pay, for such advice. Some of the submissions we received urged us to make recommendations, which were outside our Terms of Reference: to reverse the Steele plan, to appoint a temporary CEO etc. Council did not ask the Review Panel to apportion blame, but to establish facts. However we have made evidenced based recommendations to ensure that where lessons can be learnt, they are set out for Council's consideration. We have made critical comments where appropriate and where we believe that failure to act will leave a reasonable expectation that the same or similar mistakes could be repeated, to the detriment of the Game and the Union.
6. This report has to comply with the terms of the compromise agreement and our own undertakings of confidentiality to those who gave evidence to us. It is therefore necessarily brief, but each assertion and conclusion is supported by evidence in either documentary form or in recorded or oral testimony all of which has been retained. We have limited our recommendations to the scope of the Terms of Reference and it is now a matter for Council to determine whether, and if so what, action is taken. The Council members on the Review Panel may not disclose evidence received under the terms of

the confidentiality agreement which they have signed, but they are free to express opinions about the way ahead in the ensuing debate.

7. This report is released in advance of the Council meeting on 10 July to enable Council members to read and consider it before the debate. It should not be disclosed to anyone outside Council until after the Council debate when we intend to release the report in full. The report reflects the unanimous views of all members of the Review Panel.

Timeline and Narrative

8. The following narrative has been compiled using evidence from those interviewed and from some of the written material received. Events occurred against increasing press scrutiny and speculation and matters which should have been private or sensitive were played out in the media. The analysis of the main press and media reports is contained in Annex C which should be read in conjunction with the following narrative.

Key dates:

10 Jun 10 - **Announcement to Council of John Steele's appointment as CEO**
4 Sep 10 - **John Steele started as CEO**

9. In November 2009 the then CEO of the RFU, Francis Baron CBE, announced his intention to retire and the process of finding a new CEO began. That process was immediately beset by friction between Francis Baron and the Board – the former wished to participate in the process while the latter determined that he should be kept at arms length. The Board searched for a reputable recruitment consultant and, after a beauty parade, chose Russell Reynolds. Francis Baron had recommended them as one of his top three. The Board wanted to select a candidate who would put rugby at the heart of the agenda on the basis of their view that Francis Baron had built up a strong commercial base, which could look after itself, but rugby needed more attention. Francis Baron was not involved in the development of the CEO job description, apart from pressing for some points to be included such as that the CEO should chair various subsidiary companies. Nor was he involved in any sift or interview process¹. He expressed disappointment and surprise and now opines that this process was flawed from the start.

10. The Board established an interview panel for the position of CEO, comprising Martyn Thomas (Chairman RFU), John Owen (President of the RFU) and John Douglas (Member of RFU Board). They met together and with Russell Reynolds regularly throughout the selection process to discuss applicants and potential applicants. Eventually a short list of six candidates was produced: five external and one internal candidate. Before the final interviews the names of those six candidates had somehow been disclosed to some Council members who were openly discussing them. John Steele's name as a preferred candidate for the appointment had appeared in the press a number of times during this process. We are not able to determine whether the list of candidates became known because they had individually approached Council members and members of staff during their research into the appointment so that the list could be pieced together by interested Council members, or whether members of the selection board spoke injudiciously about the candidates. Some Council members appeared to have access to the order of merit of those candidates following the interview process.

11. John Steele sought advice (very properly) from a number of people including Sir Clive Woodward before he was interviewed. In preparing for the interview he

¹ Francis Baron submitted his version of the required Job Description, which was originally rejected without discussion by the Board. Subsequently the Board (April 2010, after candidates had been shortlisted) discussed the Francis Baron job description and that produced by Martyn Thomas. The Board chose to go with the Martyn Thomas version.

developed a plan for the future, which he presented to the CEO interview panel. He had consulted fairly widely in the development of that plan. He did not suggest to anyone, including Sir Clive, that he would employ them in the Union were he to be appointed. At interview for the appointment he was specifically asked about this matter: he told the CEO interview panel words to the effect that there must be a role for a person who had won the World Cup somewhere in rugby. He did not say the he would bring Sir Clive Woodward back into the RFU if he were to become CEO.

12. On 9 June 2010, the appointment of John Steele as CEO was announced to Council and the public. There was debate in Council about whether John Steele had the appropriate commercial skills and Council was assured by the Board and Russell Reynolds that his focus would be rugby and he would have sufficient support to ensure this aspect of the business was not neglected. Peter Evans of Russell Reynolds told Council:

“He (John Steele) comes through as a quick learner, and going back to the point about building a team, his strengths lie elsewhere, his major strengths lie elsewhere than in the commercial arena, and he clearly will depend on others in his team to the extent that Francis did not because Francis was very strong in that area.”

13. Further comment by Martyn Thomas emphasised the key role that Nick Eastwood (RFU Finance Director) and to a lesser extent Paul Vaughan (RFU Business Operations Director) would need to play in the new structure going forward.

14. After his appointment John Steele kept in touch with Sir Clive by text, telephone and at meetings, and he consulted him when he was in the process of developing his vision for the future.

15. The Board approved a set of objectives for the CEO for 2010/11. These are set out at Annex D to this report together with his Terms of Reference. The objectives required him to spend 50% of his effort on a CEO Review:

“to conduct a review of the organisation and make recommendations to the Management (sic) Board on adjustments and improvement. On approval by the Management Board to set in motion and implement any changes.”

16. John Steele was required to conduct his initial review during his first 100 days in office and present to the Board at their meeting in December 2010. In fact that date was delayed until early January.

17. During the 100 days John Steele consulted widely, internally and externally. He used consultants to assist in this task and conducted surveys. His analysis suggested that the RFU thought it was better as an organisation than it actually was. He assessed that there was poor leadership, a lack of direction and poor management of operations. Functions at Twickenham were ‘siloes’, income generation took priority and the decision making process was complex. A survey of stakeholders revealed that less than half felt the RFU dealt with them honestly and openly and over half felt that the RFU did not listen to them or act on their concerns and issues. Within the RFU there was no emphasis on people development, no collaborative leadership and low empowerment.

Only 37% of employees reported that they knew who the Board members were and only 27% felt that the Board provided a good sense of direction. 50% felt that executive directors did not demonstrate the game's core values². The survey did however suggest that over 90% were proud to work for the RFU. As an aside we suspect from evidence of staff who have spoken to us that this level may have been damaged by the events of the last few weeks.

Key dates:

5 Jan	-	Presentation by CEO to Board in Birmingham
6 Jan	-	CEO terminates contract of 6 directors
4 Feb	-	Closing date for Performance Director applications
15 Mar	-	CEO decides to postpone interview for Performance Director
17 Mar	-	Date due for Performance Director Assessment Centre/Interview

18. The Board met in Birmingham on 5 January where John Steele gave his presentation "Changing the Future of Rugby in England" (the CEO Organisational Review). He reported fully the results of his various surveys and proposed a new structure with 5 directors reporting to the CEO, three of whom would be focussed on rugby and who would work in collaboration with each other. The Board fully endorsed and supported the plan, part of which was that the role of the Performance Director would include management of the England Team Manager. The Board also approved the use of consultants to undertake certain functions undertaken by executive directors who were to be released and that they would remain in place until new members of the executive team were recruited. John Steele said that the cost of the consultants would be off set by the savings in salaries not being paid to the directors who were released together with savings they would find. The following day John Steele and Martyn Thomas terminated the contracts of six directors.

19. Applications were sought for the various new roles. Seven of the eight new roles created in the CEO Organisational Review were recruited as planned, although the names of the two other rugby directors were disclosed to the press and others before one of them, Steve Grainger, had informed his current employer (see Annex C – Appointment of Rugby Development Director). This caused much embarrassment to the individual concerned and the Union.

20. In relation to the Performance Director role three individuals were short listed for interview on 17 March 2011. By 15 March two of the candidates had dropped out for personal reasons and John Steele decided to postpone the interview of the one remaining candidate. He informed the interview panel members (Martyn Thomas and Bill Beaumont (Vice Chairman of IRB and co-opted member of RFU Board of Directors)) by email from CEO PA rather than by telephone for four reasons: (1) he did not want an argument about this decision (2) he suspected that the other two Performance Director interview panel members might push for re-instatement of the interview (3) he was busy and (4) it was his decision. Martyn Thomas and Bill Beaumont were very annoyed about the postponement and the manner in which they had been informed.

² Teamwork, Respect, Enjoyment, Discipline, Sportsmanship

Key dates:

- 20 Mar** - **Martyn Thomas/John Steele meeting in Dublin**
- 4 – 11 Apr** - **John Steele Easter holiday**
- 27 Apr** - **Board meeting – agreement to change Performance Director job description**

21. Martyn Thomas and John Steele met in the Westbury hotel in Dublin where they discussed a range of issues but mainly the Performance Director role. During the 1½ - 2 hour meeting Martyn Thomas mentioned that John Steele looked tired but the meeting was not about his health. John Steele did accept that he was working very hard but said that he thrived on that. His programme had been very busy but he had managed breakfast meetings and dinners with staff and members of Council. He had visited 18 Constituent Bodies (with 6 planned visits still to come) and 5 Premiership Clubs. He insists, and the Review Panel subsequently confirmed, that he was not suffering from the over-tiredness which some Board members have alleged. John Steele only took time off which was planned holiday and for no other reason. He believes that he delivered all that he was asked to deliver by the Board (apart from the recruitment of the Performance Director) and that the RFU was in a strong position under his leadership.

22. There were subsequent discussions about the Performance Director role and eventually John Steele and Martyn Thomas together agreed that responsibility for the England Team Manager should be removed from the job description as the role was mainly about talent spotting and development. Martyn Thomas advised John Steele that he should seek Board approval for this change in an oral briefing at the end of his standard CEO brief at the next Board meeting. There was no consideration that the Professional Game Board might be consulted. John Steele followed this advice and mentioned the change at the Board on 27 April. The Board approved the change of job description with little debate. The Board minute says:

“2832.In terms of the Performance Director, it was proposed that the job description would be changed so that he or she would be responsible for all England teams up to the Senior England men’s team before the RWC 2011. The job description would then be reviewed after that. This was unanimously AGREED by the Board. There had been lots of speculative Press over the weekend in relation to the appointment. Because of this, a statement had to be put out. It was an open process. All applications remain confidential. However, the RFU needed to remind people that this role was about talent development. The candidate would not be the face of the England team, which was the England Team Manager.”

23. Board members have subsequently stated that they all understood this to mean that the Performance Director would not have any control over the England Team Manager until after the World Cup when the job description would revert back to its original form. We noted that the Board minute appears clear and observe that if the job description was to include management of the England Team Manager after the World Cup there was no need to change it at all – the successful candidate could simply have been informed that the relevant part of the role would not come into force until after the World Cup. Equally we note the illogicality of reviewing reporting lines after the World Cup when the selected candidates may not have been able to handle the fuller job.

Either the Board minute does not reflect the discussions, or Board members paid insufficient attention to what was being proposed. We believe that this may have been because they did not consider the issue to be controversial until later when the press became engaged and critical.

Key dates:

- 6 May am - Revised job description for Performance Director issued to three candidates short-listed. Also uploaded onto RFU website**
- 6 May pm - John Steele speaks to candidates on telephone to discuss change of job description**
- 8 May - Sunday Telegraph article by Paul Ackford supporting Sir Clive Woodward for the role of Performance Director**
- 10 May - Martyn Thomas/John Steele combined press statement confirming removal of senior team and its management from Performance Director responsibilities**
- 11 May - John Steele meets Martyn Thomas and Bill Beaumont to discuss press coverage and role of Performance Director**
- 12 May - Board meeting by telephone conference - vote to change job description for Performance Director back to original Performance Director (4:3). Interview for Performance Director postponed again**
- 13 May - John Steele sends 'CEO Note' by e mail to Council**
- 16 May - Second planned date for Performance Director interview**
- 19 May - Sir Clive Woodward publicly stated that he was not interested in Performance Director role and committed to BOA**

24. Following the Board meeting of 27 April one of the original three candidates remained in contention. One of the two who had dropped out put his name forward again but subsequently dropped out again. John Steele contacted two other potential candidates – one who had been on the original long list but was not short-listed and one other. By early May there were three candidates for the role. John Steele believed that two of them would be good candidates for the role under the revised job description, but they would not be appropriate if the line management of the England team were included. By this time John Steele was concerned about breaches of confidentiality because of information which was regularly appearing in the press, and he concluded that much of the information was leaked from the Board. He had lost trust in the Board and the Performance Director interview panel members. As a result he kept certain information to himself – in particular he has never divulged the name of one of the two new candidates for the second interview and that name has never appeared in the media.

25. The job description was revised to reflect the Board decision and uploaded onto the RFU website on John Steele's direction on 6 May, at the same time as the three candidates for the Performance Director role were informed of the changes to the job description. The software on the website automatically inserted a closing date for applications which was 14 days after the revised job description was uploaded (20 May) even though the interviews were set for 16 May. This was clearly a mistake which

nobody saw until later. It did, however, generate further applications, all of which were effectively rejected.

26. On 9 May Mark Souster of The Times asked questions of various officers of the Union about the change in job description and apparent anomaly in the application dates – it appeared as though the competition had been reopened for further applicants. As a result Martyn Thomas and John Steele authorised a press release on 10 May headed “RFU statement on clarification on Performance Director role” which explained that the job description had been changed to cap involvement at the England Saxons level to reinforce the point that this is about talent development up through the men and women’s age group teams and about defining a long term performance strategy. It stated that this will be reviewed after Rugby World Cup 2011 depending on the outcome on the field and discussions with the England team management.

27. Articles in the media severely criticised the RFU, the apparent U-turns and the apparent lack of co-ordination within the Union. A meeting was arranged between John Steele, Bill Beaumont and Martyn Thomas for 3.30pm on 11 May to discuss the issue. Details of that meeting appeared in the online edition of the Evening Standard before the meeting had taken place. During that meeting it became apparent that there may have been a misunderstanding about what was actually agreed at the Board meeting of 27 April and Martyn Thomas determined that there should be a discussion between Board members as soon as possible to clarify that apparent misunderstanding. Board members were informed by email that there would be a discussion about the Performance Director role at 8am the following morning. A number of Board members attended the meeting at Twickenham, others joined by telephone conference, and one did not know about the meeting because he did not read the email in time.

28. Martyn Thomas told us that this meeting descended into what he described as ‘an unholy mess’ – Board members all expressed concern about business being conducted in this way but believed it was necessary because the interviews were set for 16 May and they had to be clear what the role entailed before those interviews. Some Board members left before the end of the discussion and some joined it late. John Steele said he challenged the Board members about confidentiality but they expressed indignation that they had been challenged in this way. At the end of the discussion 8 Board members were left to vote on the issue which effectively was whether to change the job description back to its original form or not. Peter Baines (Chairman of Governance) expressed his concern about business being conducted in this way but a vote was still taken. Three voted not to change back, four (including the President Mr Richard Appleby) voted in favour of changing back and one abstained.

29. The Board delegated the decision as to whether to proceed with the interviews to John Steele and Martyn Thomas – John Steele said that two of the candidates were not capable of managing the England team manager and cancelled their interviews. The third candidate telephoned Martyn Thomas to tell him that he was not going to take part in the process which he felt was unprofessional. The Performance Director interviews, due on 16 May, were cancelled for the second time.

30. On 13 May John Steele sent an email to Council entitled ‘CEO Note’ in which he explained the process, which had occurred in relation to the Performance Director role.

Some of the dates of events in this email were wrong – these were typing errors which described certain events as having occurred seven days before they actually occurred. At the end of the email he said:

“I am sure many of you are as disappointed as I am that the Union has experienced this ongoing negative publicity, much of which can only have emanated from the inside. I continue to have significant concerns over our confidentiality. A number of credible candidates that we approached did not apply for the post due to the fact that they did not believe their inclusion would remain private. Changing this culture is an ongoing challenge for us all.”

31. Martyn Thomas told us that he was furious about this email. He had been at Twickenham on 13 May and had informed John Steele through another member of staff that he would be coming to see him at 1030 that morning. His anger stemmed from the apparently accusatorial nature of the contents, that John Steele had sent it without consulting him and that it gave the impression that there was disagreement between them. He told us that he had started to have concerns about John Steele before 13 May, but this email was a significant ‘tipping point’. John Steele told us that he sent this email because he wanted to defend himself against what he saw as unfair criticism. In our view he misread the political environment and should have discussed the proposed contents of his email with Martyn Thomas before sending it.

Key dates:

22 May	-	1st non-executive meeting. Sets up Baines review
24 May	-	John Steele meets Peter Baines and Rob Udwin
25 May	-	Board meeting – RFU statement
29 May	-	2nd non-executive meeting

32. Martyn Thomas called a meeting of the non-executive directors at Twickenham on 22 May. This was against a background of increasing press criticism about the Performance Director issue, suggestions that Martyn Thomas and John Steele were in conflict and some media speculation that John Steele would be sacked. Martyn Thomas declared his concerns about the Performance Director process at that non-executive meeting and thereafter momentum started to grow towards the final severance of John Steele. Concern was expressed that John Steele may have offered Sir Clive Woodward a job either before or after he became RFU CEO and Peter Baines was asked to talk to both John Steele and Sir Clive to ascertain exactly what had passed between them. Rob Udwin (Chairman of CGB and Board member) was asked to assist in this task.

33. The Board met formally on 25 May. Subsequently a press release was authorised by Martyn Thomas and John Steele. It stated that the Board reiterated full support for the organisational restructure undertaken by John Steele, agreed actions for review of the Performance Director appointment process, including dealing with issues of governance and confidentiality, led by Peter Baines and asked John Steele to present to the June Board meeting in more detail about the Performance Director role. Martyn Thomas was quoted as saying:

“The review by Peter Baines will help us ... It is also important that recent events do not obscure the very positive progress we have taken under John Steele’s leadership over the last 9 months. Our task now is to continue to support him in creating the new organisational structure that we need to deliver success on and off the field in the lead up to 2015.”

34. On 29 May there was a second non-executive meeting at Twickenham. Peter Baines reported that as far as he could discover there had been no communication between John Steele and Sir Clive Woodward which suggested that John Steele had made any promises of appointment. He also registered his concern that confidential information appeared to be leaking from the Board into the media.

Key dates:

31 May - 6 Jun	-	John Steele on holiday (half term)
9 Jun	-	Board meeting
10 Jun	-	Council meeting
12 Jun	-	Sunday Telegraph article by Ackford describing 9 Jun Board Meeting

35. On 3 June Martyn Thomas sent John Steele an email, which expressed three concerns about Peter Baines report to the non-executives:

“firstly the purpose of our meeting in Dublin on the 20th March, secondly the implication that in my dealings with the press I had briefed against you and thirdly the email you sent to Council on 13 May. I wanted these matters discussed in the presence of the whole Board. The full Board meeting on the 9th June will provide this opportunity and for the Board to agree the manner it will conduct itself at the Council meeting the next day.”

John Steele replied on 6 June in which he said:

“to be clear I did not imply that you had briefed against me in the press. I stated that leaks and unofficial press contact from within Board were the main cause for the process becoming compromised and the ensuing reputational damage to the Union and myself.”

36. Martyn Thomas told us that he asked Board members to talk to their various contacts among the staff at Twickenham to ascertain how the business was going under John Steele’s leadership. He said that he told them he did not want ‘to light a fire’ if none existed, but he wanted to gauge what the staff thought. Some Council members have stated that during the period 6 - 9 June a number of Board members were briefing them that John Steele had to go and that his contract would be terminated at the Board meeting on 9 June. One member of staff also reported that he had heard a similar rumour.

37. On 9 June Martyn Thomas and John Steele met at 10 am at Twickenham. John Steele said that Martyn Thomas appeared to be in a conciliatory mood, suggesting that a line should be drawn under what had occurred and that they should discuss how to

present what had occurred to Council the following day. He told us there was no discussion about his performance nor did Martyn Thomas express any concerns to him. Martyn Thomas disputed this and told us that he did tell John Steele that he was concerned about his performance.

38. The Board met at 8pm on 9 June. There was a long discussion about the Performance Director role, what had happened and where everything had gone wrong. After more than 2 hours Martyn Thomas asked John Steele to leave the meeting so that the issue could be further discussed in his absence. After he left, the discussions moved on to wider criticisms of his performance. These criticisms were provided from a number of sources: two members of the executive staff, a number of Board members reported conversations they had had with other members of staff apparently critical of John Steele, and Board members own observations.

39. We are prevented from listing the various criticisms of John Steele by the Board in this document by the terms of the compromise agreement signed between John Steele and the RFU. Clause 10 of that agreement states:

“The employer will use its reasonable endeavours to ensure that its employees and officers do not make or publish any statement, comment or remark which could harm [John Steele’s] reputation.”

40. At the start of the second part of the Board meeting Martyn Thomas said that the discussions should be completely confidential and no minutes or notes were taken. One apparently significant factor in their decision was that a member of the executive staff who perceived that his job had been downgraded under the CEO Organisational Review had informed Martyn Thomas that he had taken legal advice and was about to start a complaints procedure.

41. We have heard these criticisms and have examined their validity as far as we are able by listening to opposite views and scrutinising documentation. We have not, for example, spoken to sponsors to ascertain their views, but we have seen email traffic between John Steele and senior members of sponsors’ companies. We have received various submissions from those who think that John Steele was doing a very good job and those who think he was not. It is not for us to draw any conclusions about his performance, other than to note that in any major reorganisation there is likely to be some resentment which needs to be managed with some political astuteness. Nevertheless, our enquiries have been more extensive than those undertaken by the Board and in our view had the Board been more assiduous in investigating the criticisms they may have proceeded more cautiously.

42. At the end of the discussions (a further 2 hours) the executive staff withdrew and the non-executive directors determined unanimously that John Steele’s contract should be terminated with immediate effect. The President participated in the debate and voted but his role in this seems indistinguishable from any other Council representative on the Board. The President and Martyn Thomas were then delegated the task of informing John Steele: Martyn Thomas and Karena Vleck were to negotiate a severance package. The Board entreated Martyn Thomas to treat John Steele fairly in those negotiations.

43. This report does not need to rehearse the events at Council on 10 June. After that meeting Martyn Thomas undertook a number of press interviews with television, radio and the written media (by way of a telephone conference). During those interviews the Company Secretary, Disciplinary Officer and Corporate Communications and Public Affairs Director (Peter Thomas) were in attendance. Martyn Thomas told us that he received a call from Paul Ackford on Saturday 11 June and he provided clarification in response to specific questions. Other Board members received calls from Paul Ackford but did not speak to him. The Ackford article which appeared in The Sunday Telegraph on 12 June was not entirely accurate, but it contained sufficient material to show that someone who had been at the meeting had spoken to him.

44. There were a number of comments in various papers during the days following the Council meeting which led John Steele's solicitors to write to the RFU complaining about comments which appeared to breach the terms of the compromise agreement. A copy of that letter is attached at Annex E.

Coverage by the media

45. The media have scrutinised what has occurred and to some extent have driven the agenda. But they could not have done so without a constant stream of information emanating from within the Union – often from the Board itself. An analysis of relevant press reports, including a list of people who knew information which was leaked, is at Annex C.

46. Martyn Thomas has stated that he believes in fostering good working relationships with the press and he is available to speak to journalists whenever they call. Indeed he insists, rightly, that he is required by his job description as Chairman to speak on behalf of the Union. However in our view, he says too much, he allows himself to be drawn and he does not keep Peter Thomas informed about many of these conversations. He supports the Board view that journalists are clever at piecing stories together from snippets from many people, tacitly acknowledging that he is the provider of many of those snippets.

47. Some Board members appeared unconcerned about the recent media coverage and opined that it was less damaging than some suggest and we should ignore it and move forward. That view is inconsistent with the majority view that the reputational damage to the Union has been immense. We have received unsolicited communication from all levels of the game, stakeholders, and observers describing their concern and anger.

Conclusions

48. Having taken account of all of the oral and written testimony we have received, much of which we are unable to record publicly because of the compromise agreement and our promise of confidentiality to those we interviewed, we have reached a number of conclusions which we list below under each of the headings of our Terms of Reference.

49. However, the theme of our conclusions relates to the breakdown of trust and the lack of confidentiality, both of which have severely damaged the reputation of the Union and both of which must be repaired as a matter of priority.

- Trust: We have received significant evidence which indicates that trust has broken down within the Union. John Steele and Martyn Thomas did not trust each other, John Steele did not trust the Board, many members of Council do not trust the Board, and many members of staff do not trust the management of the Union and fear for their jobs.
- Confidentiality: Sponsors, potential applicants for appointment and people of influence within and outside the game of rugby do not trust the RFU to comply with obligations of confidentiality. Individual members of the Board have acknowledged this and the reputational damage it has caused, but collectively they have closed their eyes to the problem.

50. As a result, there are many commentators and people of influence within and outside the game of rugby who believe that governance at the top of the Union is broken.

The process involved in the recruitment of John Steele as CEO

51. The process of recruitment was managed by a reputable company and followed good practice. The CEO interview panel and the recruitment consultants agreed that John Steele was the best candidate.

52. The assessment process did examine his experience of dealing with the political context of a sports governing body by taking up references from Lord Coe, Hugh Robertson (Minister for Sport) and Baroness Sue Campbell who could attest to John Steele's skills in this area from their observations of him while he managed change at UK Sport. However the assessment may have underestimated the approach that would be required to achieve a corporate culture change of the complexity involved.

53. [Intentionally blank]

The process involved in the recruitment of a Performance Director

54. There was inappropriate contact between Martyn Thomas in his capacity as one of the Performance Director interview panel members and one of the applicants for the Performance Director role during the interview process.

55. The whole process was overshadowed by press speculation about the return to the RFU of Sir Clive Woodward and the media attention became the main driver for the Board's decisions.

56. John Steele postponed the Performance Director interview due for 17 March because there was only one candidate left in the competition and he had significant concerns about that candidate's suitability for the appointment – he informed Martyn Thomas and Bill Beaumont by email because he did not want to give them the opportunity on the phone to reinstate the interview. Crucially he did not cite those concerns to Martyn Thomas and Bill Beaumont when he informed them of the postponement. If John Steele had told Martyn Thomas that he did not want any particular candidate to be appointed, Martyn Thomas indicated that he would have accepted that opinion. However John Steele did not trust that Martyn Thomas would have done this and so did not confide in him.

57. Anonymity of the candidates was not preserved because of off the record briefing to the press, which could only have been given by a Performance Director interview panel member or the candidates themselves. We have heard from one candidate that another candidate approached him and told him that Martyn Thomas had told him that he was also a candidate, thereby breaching candidate confidentiality between candidates. John Steele kept secret from the Performance Director interview panel members the name of the third applicant for the second interview and this name has never appeared in the press.

58. The process was initially sound, but John Steele should have discussed postponement of the first interview with Performance Director interview panel members. John Steele should have sought approval for changes to the job description by submitting a paper to the Board in a stand-alone agenda item to ensure that there was no misunderstanding.

59. There was no need to upload the revised job description onto the RFU website and there should be a system to check that wrong information (in this case a default for the closing date of applications) is not published.

60. The Board should not have changed the job description again during the telephone conference on 12 May. It would have been far better to have stopped the process and taken decisions in slower time.

61. In short, this process was driven by media interest, the lobby for one particular candidate and poor governance by the Board.

The reasons for the Board losing confidence in the CEO

62. The main reason for loss of confidence related to the Performance Director selection process and the friction this caused between Martyn Thomas and John Steele. The 'CEO Note' sent to Council on 13 May seems to have been the final tipping point as far as Martyn Thomas was concerned. Most Board members cited this email in their reasons to us.

63. There were other reasons which cannot be listed because of the compromise agreement. We also note that Martyn Thomas, in his capacity as Acting CEO, says that he is now discovering further issues of concern. We have probed each of these criticisms as far as is possible in the short time available. John Steele has provided significant written evidence, which suggests that the Board may have acted precipitately by not affording him the opportunity to answer perceived criticisms. For example, Martyn Thomas has stated publicly that John Steele did not deliver "*the degree of commitment to the requirements of sponsors*".³ However, we have received copies of texts and emails exchanged while John Steele was CEO between John Steele and a number of sponsors which demonstrate that there was more contact at CEO to CEO level than the Board apparently realised when they made their decision. In one case it appeared that the sponsor had cancelled three arranged meetings with John Steele for various proper reasons and in that case John Steele could not be criticised for lack of commitment.

64. Further, none of the Board members indicated that they had made reference to John Steele's objectives for 2011/12 to assess whether he was apportioning his effort in the percentages set by the Board (e.g. 50% of time CEO review, 10% on business and finance when set in the context of his instruction from the Board that the commercial operations were in safe hands and he was to concentrate on rugby).

65. From the oral testimony and documents we have seen it appears that the Board may have given too much weight to hearsay evidence which should have been tested further and in our view the Board should have delayed their decision on 9 June until they had investigated these criticisms more fully and discussed priorities with John Steele.

66. [Intentionally blank]

³ See Annex E

The process leading to the termination of the CEO's contract

67. There was clearly inappropriate briefing to the press that John Steele's position as CEO was under threat. The issue was raised at the two non-executive directors meetings on 22 May and 29 May, but concerns were not discussed with John Steele who was given no indication that his position was in jeopardy or that his employment may be terminated.

68. The Board made their decision in the early hours of the morning after a four-hour meeting when some of them may not have been thinking clearly.

69. All Board members had different levels of knowledge of the alleged problems at the beginning of the meeting and were required to make a very significant decision without testing the allegations.

70. The process was, therefore, less than satisfactory.

The involvement of the Board in these processes

71. There appears to be too much involvement of non-executive directors in executive matters – the Board seems to interfere too much in the day to day running of the Union rather than standing back and holding the executive to account. This is the product of a lack of trust between executive and non-executive staff in the past.
72. The Board failed to respond to concerns raised by John Steele, Peter Baines and members of Council about the leaking of confidential information and failed to appreciate, and respond strategically to, the reputational damage being done to the RFU as a result of these leaks.
73. The Board seems to operate on the basis of too many bilateral telephone conversations outside the Board. Although speaking in this way is quite proper, it means that some Board members know more than others and a level of knowledge may be assumed which does not exist. This can lead to a lack of proper debate in Board meetings and decisions being misunderstood (e.g. change to the Performance Director job description).
74. The Board has failed to recruit an independent non-executive director and is therefore breaching RFU Rule 12.2(v).
75. There was no attempt to take an overview of the John Steele's performance against his annual objectives. He was clearly working hard and appeared to be apportioning his time in accordance with the objectives set by the Board (See Annex D).
76. The Board did not verify the allegations of failings or allow John Steele to respond.

Whether the governance of the Board could have been better

77. We have no doubt that the Board's governance throughout these events has been less than satisfactory. They made decisions without apprising themselves of the facts fully and they failed to scrutinise what they were told rigorously enough. For example:

- 27 April meeting – too little debate on change of Performance Director job description
- 12 May meeting – making a decision when there were people coming in and out of the meeting, some of the communication on mobile telephones was not clear, there were no papers supporting the proposal
- 9 June meeting - the allegations of failings were not put to John Steele, and the Board felt under pressure from press and Council to make a decision then
- Need for independent non-executive director
- The Board should have consulted the Professional Game Board in relation to changes to roles related to elite rugby.

78. The Constitutional Review Task Group looked at, among other matters, governance structures, processes and powers. It also noted that it is good leadership behaviours as much as structures, processes and powers that drive good governance. The governance failings in this episode relate more to the judgement and behaviour of the Board than the formal structural aspects.

How and why apparently confidential information was reported in the media

79. A culture has developed within the RFU of speaking to the media about confidential matters. We have no doubt that a member or members of the Board provide off the record briefings to the press (as do some members of the professional staff and members of Council). Much of the information passed to the press has been relatively harmless but over the past few months the contents of press articles have been extremely damaging to the reputation of the Union.

80. We observe that the rest of the RFU takes its lead from the Board's behaviour and so when the Board fails to be seen to do anything about the leaks it becomes 'open season' on managing relations with the media. The Board should have demonstrated how seriously it took the leaks and that they would not be condoned, at the very least as a disincentive to others to leak. Notwithstanding the fact that leak enquiries are often fruitless, the Board should have discussed other strategies to address the problem.

81. We are concerned that the Board accepted leaks as part of life and effectively shrugged their collective shoulders. Some were unconcerned and believed that the reputational damage was minimal or passing. The perceived wisdom in the Board is that journalists are clever and by speaking to a number of people they are able to piece stories together. They have also expressed their collective opinion that Peter Thomas is unable to control the press and has lost the confidence of rugby writers.

82. We understand that potential applicants for certain appointments have withdrawn for fear of their names appearing in the press. John Steele felt unable to work with the Board because of his concern that anything he told the Board would be passed to the media.

83. There is significant circumstantial evidence that a significant amount of the sensitive material which reaches the press emanates from Martyn Thomas. He is an authorised spokesman for the Union but he is apt to say more than he should – albeit often in his mind for the sake of transparency. He believes that the RFU receives better press if he is open and there has been friction between him and Peter Thomas who has attempted to bring information release under control. There are also times when Martyn Thomas believes it is necessary to plant certain stories into the media for the benefit of the Union. Martyn Thomas may have a point, but his *modus operandi* may lead him to exceed his brief. His style leads him to reveal information which is sensitive. A stark example of this is that during press conferences on 10 June he went further than he should have done when talking about the reasons for dismissing John Steele.

84. We probed this issue in some depth with all of those whom we interviewed. Four members of the Board told us in terms that Martyn Thomas is the source of the leaks either directly or indirectly through other Council members. Some who gave evidence to us believe that Martyn Thomas used the press to undermine John Steele by planting stories that he might be dismissed. We are unable to draw any conclusions in that regard, but we are sure that Martyn Thomas does speak to a large number of people – including the press – and he, often inadvertently, mentions confidential matters. He is a major contributor to the problem of leaks.

85. One particular article which has caused considerable angst was an article written by Paul Ackford in The Sunday Telegraph on 12 June which described quite accurately what occurred in the Board meeting on 9 June. In our view, there is no doubt that some of the information contained in that article came from Martyn Thomas's off the record discussions with Ackford on Saturday 11 June. At that sensitive time Martyn Thomas should have taken the same course as all other Board members and not responded to Ackford's calls.

86. We also believe that criticism of Peter Thomas is unmerited. He can only manage media relations if officers of the Union take him into their confidence. The Media Protocol, approved by Council, requires all officers to inform Peter Thomas of approaches from the media – several officers have failed to comply with that protocol and as a result Peter Thomas is in an impossible position. It has been reported to us that one journalist said that he does not need to speak to Peter Thomas because he gets all the information he needs from senior officers of the Union.

What lessons can be learned for the future

87. One man holding too many roles means that there are insufficient checks and balances. Martyn Thomas has given great service to the Union at significant personal cost. He has worked tirelessly and achieved a huge amount of benefit, but he has almost reached a position where 'he is the Union'. This not only puts mental and physical pressure on him, but it also may be a contributory cause to him inadvertently disclosing confidential matters to unauthorised people – simply because his various roles require him to speak to so many people on so many subjects. We on the Council must take some share of the blame for this state of affairs – we have placed too much reliance on the shoulders of one man and we simply should not have allowed him to take on so many roles.

88. The Chairman of the RFU must be non-executive in the true sense of the term and the Board must not allow him to stray into executive matters.

89. Board meetings must be properly managed and the Union's Legal Officer and Chairman of Governance must guard against allowing decision making 'on the hoof' and without proper consideration.

90. Elite Rugby matters should be referred to the Professional Game Board where the experts are available to give proper advice.

91. The Board must raise issues of concern with the CEO openly and early.

92. The Board must be refreshed at regular intervals – appointment time limits are important because they prevent members from having power for so long that they believe that they are irreplaceable and unimpeachable.

93. The Board must ensure that panels established to recruit senior personnel be constituted of persons with the appropriate blend of expertise who have received training in executive selection techniques.

94. New members of the Board should receive formal induction into the role and responsibilities that membership requires. This is to include an understanding of collective responsibility and also personal accountability.

Recommendations

95. We have considered carefully whether to make any recommendations rather than simply presenting the facts, drawing conclusions and leaving it to Council to decide what to do. However, we feel that such a course would be unsatisfactory given the amount of information provided to us, not all of which we can properly expose to Council, and the expectations of the game that we will be able to provide some direction. We therefore propose the following:

- 1. Martyn Thomas should withdraw his candidacy for Chairman of the Board at the Annual General Meeting on 10 July and resign from all of his other non-executive roles (apart from Chair England Rugby 2015).**
- 2. The 'casual vacancy' thereby created should be filled by a nominee from Council in accordance with RFU Rule 15.3.**
- 3. A Special General Meeting should be called by Council so that a new Chairman may be elected.**

Notes on recommendations 1 - 3:

Withdrawal of his candidacy is a matter for Martyn Thomas – it is not something that Council can resolve. However, we encourage him to take this course so that he can concentrate solely in his role as the Acting CEO (a Board appointment with which Council may not interfere). He should retain the chairmanship of England Rugby 2015 not only because that is also a Board appointment but also because we understand he is the IRB's favoured choice for that role.

There is precedent (following the resignation of the last Chairman) that the temporary Chairman should be the President (Willie Wildash). Alternatively if the President feels that his RWC 2011 duties would preclude him acting as Chairman then the Senior Vice President (Paul Murphy) who has Board experience should be appointed to the role.

Council should carefully consider timing of the Special General Meeting in relation to the date of the appointment of a new CEO.

- 4. All of the non-executive members of the Board (apart from the co-opted member Bill Beaumont) should resign from the Board and from the positions which give them automatic membership of the Board with immediate effect.**
- 5. The Nominations Committee should propose replacements and there should be an additional Council meeting in late August/early September when they can be elected.**
- 6. The new Board should find a suitably qualified independent non-executive director as quickly as possible for recommendation to Council by no later than 31 October 2011.**

Notes on recommendations 4 - 6:

This has the effect that the Chairmen of Standing Committees and the IRB representative resign from those offices. There is nothing to prevent those who have resigned including Martyn Thomas from seeking re-election, or the new Board re-appointing Ian Metcalfe as Chairman of the PGB and member of the Board. John Spencer should be immediately co-opted onto Council (as he stands down as Council representative for Yorkshire at the AGM) so that he may be re-elected as the IRB representative if Council so wish (and we would support). Until the election there will be a smaller Board including the Acting CEO standing executive staff, the two new non-executive directors elected this year (Rob Briers and Peter Whiting) and the co-opted member (Bill Beaumont) who can maintain links with the IRB. This process is necessary to cleanse the organisation and to re-establish absolute confidence and trust from Council and the wider Game in the Board.

If non executive members are not minded to resign, it is within Council's gift to remove and replace them.

- 7. The Media Protocol should be strengthened to state that nobody should provide any information to members of the press without first seeking clearance from the Corporate Communications and Public Affairs Director (Peter Thomas).**

Note on recommendation 7:

The response to any inquiry from the press must be to refer them to the Director of Communications or Head of Media who can arrange an interview if appropriate. Any off the record briefings must be approved by one of those two in conjunction with the President, Chairman, CEO or Disciplinary Officer. If any unauthorised confidential information, which clearly emanates from the Board appears in the press then the whole Board must resign under the principle of collective responsibility. Too much damage has been done both by well meaning individuals trying to be helpful to the press and those with less altruistic motives. The perceived wisdom of the Board that journalists are clever at piecing small pieces of information together can be countered by not giving those pieces of information out. The Union must re-establish a reputation for complete confidentiality and can only do so by allowing appropriate executive staff to manage communications.

- 8. Governance Committee be tasked with examining proposals for rule changes at the next General Meeting which facilitates the following:**
 - The President should be a non-voting ex officio member of the Board**
 - The composition of the Board should be based not only on election from Council but also on skill sets of individuals**

- **Best practice in sports governance should be adopted⁴.**

Notes on recommendation 8:

The President must be able to stand back from the day to day activities and politics of the Board and provide objective advice relating to the interests of the Union. In particular where there is friction or tension between the Chairman and CEO he is able to provide a moderating and mediating influence. Throughout these events the President has acted simply as another Council member on the Board when he could have provided a steadying influence.

The Nominations process must be smarter in selecting the appropriate people for the Board by taking a view of the complementary skills and experience of the Council representatives who make up the Board. It should not just be a matter of who is the most popular person.

Although the Constitutional Review Task Group was only completed 12 months ago we believe there is a need to set in place a review (including a strong independent flavour) of the Board taking account of the Voluntary Code cited in footnote 4, for change at the 2012 AGM.

- 9. There should be no further changes to the structure of the Union approved by the Board on 5 January 2011 until a new CEO is in place.**
- 10. The recruitment of a new CEO should be conducted by an appropriately qualified panel which should ensure that candidate assessments test fully the required experience, know-how and style to achieve complex corporate change whilst concurrently delivering immediate business results.**

Notes on recommendation 10:

In a complex political corporate environment such as the RFU, the CEO needs to be adept at both: (1) building coalitions and managing relationships with senior staff, non executives and other stakeholders who will influence the effectiveness of change initiatives; and (2) in driving forward and managing the detailed tasks of the change programme as well as the ongoing achievement of rugby and commercial objectives.

- 11. The Chairman of the Board should implement more effective performance management and support practices with the CEO.**

⁴ Sport and Recreation Alliance publication "Voluntary Code of Good Governance for the Sport and Recreation Sector" which establishes the following seven principles of good governance:

- Integrity: Acting as Guardians of the Sport.
- Defining and Evaluating the Role of the Board;
- Delivery of Vision, Mission and Purpose;
- Objectivity: Balanced, Inclusive and Skilled Board;
- Standards, systems and controls;
- Accountability and Transparency;
- Understanding and Engaging with the Sporting Landscape

Notes on recommendation 11:

This recommendation reflects the fact that little ongoing one-on-one review took place between Martyn Thomas and John Steele on the progress being made across the range of objectives set for the CEO, including involving discussion of the tactics being adopted to build political coalitions among senior executives and non-executives as well as other stakeholders and staff to achieve both planned change and immediate business performance.

**Annex A to
Blackett Review Report
Dated 1 September 2011**

Blackett Review Panel and Terms Agreed

Wednesday June 15, 2011

Issued by Peter Thomas.

Judge Jeff Blackett has today finalised and confirmed the composition of the panel and its Terms of Reference for the review he will lead into the circumstances surrounding the departure of John Steele as CEO.

Judge Blackett was asked by the RFU Council at its recent meeting on 10th June to undertake the review using his experience as a senior Judge to ensure a comprehensive and objective look at recent events. The panel composition and Terms of Reference have also been agreed by the Council and the aim would be for Judge Blackett to report back findings and recommendations to the next Council meeting now scheduled for 10th July. The panel's first meeting is today 15th June.

The panel will comprise:

- HH Judge Jeff Blackett, Judge Advocate General (Chairman)
- Geraint Ashton Jones, RFU Council Member for the Royal Navy
- Malcolm Wharton, RFU Council Member and Principal of Hartpury College
- Andy Reed (independent), Chairman-elect of Sports and Recreation Alliance and recently MP for Loughborough
- Vic Luck (independent), previously General Manager of IBM UK

The panel will be able to interview anyone involved in the matter including current or former members of the Board of Directors and has sought agreement from John Steele's lawyers that members of the Board may disclose reasons for their decision to the panel. In terms of scope the review will look at:

- The process involved in the recruitment of John Steele as CEO;
- The reasons for the Board of Directors losing confidence in the CEO;
- The process leading to the termination of his contract;
- The process involved in the recruitment of a performance director;
- The involvement of the Board of Directors in these processes;
- Whether the governance of the Board of Directors through these processes could have been better;
- How and why apparently confidential information was reported in the media;
- What lessons can be learned for the future.

Judge Blackett commented, "It is vital for the reputation of the RFU that we move quickly and decisively on this and that we are able to carry out an open and transparent review of the events of the last few months. Only when we know what happened can we ensure that lessons are learnt for the future good governance of the RFU. We owe it to our members and all those who play and watch rugby to ensure that we are diligent and thorough and I would like to thank the panel in advance for their involvement in what will be an intensive and busy programme if we are to come back to the RFU Council in just over 3 weeks."

He continued, "As importantly it is vital that the panel is now allowed to carry out its activities without daily scrutiny and I have stressed to all in the RFU and all those involved that confidentiality is key and the panel will not now make any comment until it produces its findings and recommendations in July."

**Annex B to
Blackett Review Report
Dated 1 September 2011**

Examination of Evidence

Evidence was obtained from interview, written submission, publicly available documentation and RFU documentation.

Documents Examined

1. Board Minutes: (25)

- | | |
|------------------------------------|----------------------|
| a. 9 June 2011 (Draft) | n. 9 June 2010 |
| b. 29 May 2011 (Draft) | o. 2 June 2010 |
| c. 22 May 2011 (Draft) | p. 26 May 2010 |
| d. 12 May 2011 (Draft) | q. 28 April 2010 |
| e. 27 April 2011(Draft and Formal) | r. 24 March 2010 |
| f. 20 March 2011 | s. 24 February 2010 |
| g. 23 February 2011 | t. 27 January 2010 |
| h. 26 January 2011 | u. 16 December 2009 |
| i. 5 January 2011 | v. 25 November 2009 |
| j. 15 December 2010 | w. 28 October 2009 |
| k. 24 November 2010 | x. 16 September 2009 |
| l. 27 October 2010 | y. 27 August 2009 |
| m. 29 September 2010 | |

2. Council Minutes: (3)

- a. 10 June 2011 (Draft and partial transcript)
- b. 11 February 2011 (Minutes and partial transcript)
- c. 9 June 2011 (Minutes and partial transcript)

3. RFU Press Releases: (22)

- | | |
|------------------|---------------------|
| a. 14 June 2011 | m. 3 February 2011 |
| b. 10 June 2011 | n. 24 January 2011 |
| c. 25 May 2011 | o. 7 January 2011 |
| d. 11 May 2011 | p. 6 January 2011 |
| e. 10 May 2011 | q. 14 December 2010 |
| f. 4 May 2011 | r. 3 December 2010 |
| g. 5 April 2011 | s. 2 December 2010 |
| h. 1 April 2011 | t. 23 November 2010 |
| i. 29 March 2011 | u. 10 November 2010 |
| j. 24 March 2011 | v. 25 October 2010 |
| k. 16 March 2011 | w. 9 June 2010 |
| l. 2 March 2011 | |

4. RFU Podcasts: (2)

- | | |
|--------------------|---------------------|
| a. 21 October 2010 | b. 9 September 2010 |
|--------------------|---------------------|

5. RFU Touchline: (4)

- a. June 2011
- b. January 2011
- c. September 2010
- d. June 2010

6. CEO Updates to Council: (10)

- a. June 2011
- b. 13 May 2011
- c. 9 May 2011
- d. April 2011
- e. 28 March 2011
- f. 18 March 2011
- g. 14 January 2011
- h. 6 January 2011
- i. 1 December 2010
- j. 13 October 2010

7. Chairman's Update to Council: (1)

- a. 23 May 2011

8. Joint CEO and Chairman's Update to Council: (6)

- a. 13 May 2011
- b. 4 May 2011
- c. 22 March 2011
- d. 14 March 2011
- e. 7 February 2011
- f. 3 February 2011

9. Documentation: (20)

- a. Blackett Review Terms of Reference
- b. CEO Job Description (October 2009)
- c. CEO Job Description (April 2010)
- d. Performance Rugby Director Job Description (Pre 27 April 2011)
- e. Performance Rugby Director Job Description (Post 27 April 2011)
- f. RFU Business Plan and Budget 2011/12
- g. Changing the future of Rugby in England presentation
- h. RFU Rugby Playbook
- i. Document A
- j. Document B
- k. Voluntary Code of Good Governance for the Sport and Recreation Sector
- l. ACAS guidance for Good Practice in Recruitment and Selection
- m. Board of Directors Protocols
- n. Document C
- o. Active People Survey results for Rugby Union 16 March 2011
- p. Council Standing Orders (as revised 15 April 2011) and Aide Memoire
- q. RFU Media Protocol for use by Board, Council and Staff
- r. Financial Reporting Council - Guidance on Board Effectiveness March 2011
- s. Financial Reporting Council – The UK Corporate Governance Code June 2010

10. Media Interviews: (3)

- a. BBC Radio 5 Live, Drivetime 10 June 2011
- b. BBC Radio 5 Sportsworld with Gary Richardson, 12 June 2011
- c. SkySports News Webcast
(http://www.skysports.com/video/inline/0,26691,1210_6980138,00.html)

11. Press Articles: (93)

- a. The Times, Mark Souster, 1 Jan 2011
- b. The Daily Telegraph, 1 Jan 2011
- c. The Online Telegraph, Mick Cleary, 22 March 2011
- d. The Online Telegraph, 23 March 2011
- e. The Sunday Times, Stephen Jones, 24 April 2011
- f. The News of the World, Sam Peters, 24 April 2011
- g. The Times, Mark Souster, 25 April 2011
- h. The Daily Telegraph, Gavin Mairs, 25 April 2011
- i. The Guardian, Rob Kitson, 25 April 2011
- j. The Independent, Chris Hewett, 25 April 2011
- k. The Evening Standard, Chris Jones, 11 May x 2
- l. The Evening Standard, Chris Jones, 12 May
- m. The Times, Mark Souster, 11 May 2011 x 2
- n. The Daily Mail, Chris Foy, 13 May 2011
- o. The Daily Telegraph, Mick Cleary, 13 May 2011
- p. The Independent, Chris Hewett, 13 May 2011
- q. The Guardian, Rob Kitson, 13 May 2011
- r. The Times, Mark Souster, 13 May 2011 x 2
- s. The Independent on Sunday, Hugh Godwin, 15 May 2011
- t. The Sunday Times, Stephen Jones, 15 May 2011
- u. The Sunday Telegraph, Paul Ackford, 15 May 2011
- v. The Rugby Paper, Colin Boag, 15 May 2011
- w. The Observer, Eddie Butler, 15 May 2011
- x. The Observer, Paul Hayward, 15 May 2011
- y. The Daily Mail, Charles Sale, 17 May 2011
- z. The Guardian, Rob Kitson, 20 May 2011
- aa. The Guardian, Mike Averis, 20 May 2011
- bb. The Daily Mirror, Alex Spink, 20 May 2011
- cc. The Daily Mail, Charles Sale, 20 May 2011
- dd. The Daily Mail, Chris Foy, 20 May 2011
- ee. The Daily Express, Steve Bale, 20 May 2011
- ff. The Times, Comment, 20 May 2011
- gg. The Times, Mark Souster, 20 May 2011
- hh. The Western Daily Press, Alistair Hignell, 20 May 2011
- ii. The Sun, Matt Moore, 21 May 2011
- jj. The Rugby Paper, Nick Cain, 22 May 2011
- kk. The People, Adam Hathaway, 22 May 2011
- ll. The Daily Mirror, Alex Spink, 23 May 2011
- mm. The Times, Mark Souster, 23 May 2011
- nn. The Times, Owen Slot, 23 May 2011
- oo. The Daily Mail, Charles Sale, 25 May 2011
- pp. The Times, Mark Souster, 26 May 2011
- qq. The Daily Telegraph, Gavin Mairs, 26 May 2011
- rr. The Independent, Chris Hewett, 26 May 2011
- ss. The Daily Mail, Charles Sale, 26 May 2011
- tt. The Rugby Times, In the Loop, 27 May 2011
- uu. The Daily Telegraph, Gavin Mairs, 31 May 2011
- vv. The Rugby Paper, Nick Cain, 5 June 2011 x 2
- ww. The Rugby Paper, Comment, 5 June 2011

xx. The Times, Mark Souster, 8 June 2011
 yy. The Guardian, Mike Averis, 9 June 2011
 zz. The Daily Mail, Chris Foy & Rob Wildman, 9 June 2011
 aaa. The Daily Telegraph, Mick Cleary, 9 June 2011 x 2
 bbb. The Guardian, Paul Rees, 10 June 2011
 ccc. The Daily Telegraph, Gavin Mairs, 10 June 2011
 ddd. The Evening Standard, Chris Jones, 10 June 2011
 eee. The Independent, Chris Hewett, 11 June 2011 x 2
 fff. The Guardian, Owen Gibson, 11 June 2011
 ggg. The Guardian, Robert Kitson, 11 June 2011
 hhh. The Guardian, Paul Rees & Owen Gibson, 11 June 2011
 iii. The Times, Mark Souster, 11 June 2011 x 2
 jjj. The Times, Owen Slot, 11 June 2011
 kkk. The Daily Express, Steve Bale, 11 June 2011
 lll. The Daily Mail, Chris Foy, 11 June 2011
 mmm. The Daily Telegraph, Brian Moore, 11 June 2011
 nnn. The Daily Telegraph, Gavin Mairs, 11 June 2011
 ooo. The Sunday Telegraph, Paul Ackford, 12 June 2011 x 2
 ppp. The Sunday Telegraph, Comment, 12 June 2011
 qqq. The Sunday Times, Stephen Jones, 12 June 2011
 rrr. The Mail on Sunday, Ian Stafford, 12 June 2011
 sss. The Mail on Sunday, Partick Collins, 12 June 2011
 ttt. The Independent on Sunday, Hugh Godwin, 12 June 2011
 uuu. The Observer, Paul Rees, 12 June 2011 x 2
 vvv. The Observer, Eddie Butler, 12 June 2011
 www. The Scotland on Sunday, Alex Lowe, 12 June 2011
 xxx. The Daily Mirror, Alex Spink, 13 June 2011
 yyy. The Daily Telegraph, Mick Cleary, 13 June 2011
 zzz. The Guardian, Paul Rees, 13 June 2011 x 2
 aaaa. The Independent, Chris Hewett, 13 June 2011
 bbbb. The Times, Simon Barnes, 13 June 2011
 cccc. The Evening Standard, Chris Jones, 13 June 2011
 dddd. The Daily Express, Steve Bale, 13 June 2011
 eeee. The Daily Mail, Chris Foy, 13 June 2011
 ffff. The Guardian, Richard Williams, 14 June 2011
 gggg. The Guardian, Paul Rees, 14 June 2011
 hhhh. The Independent, Chris Hewett, 14 June 2011
 iiiii. The Daily Telegraph, Gavin Mairs, 14 June 2011
 jjjj. The Daily mail, Charles Sale, 14 June 2011

Interviews and Written Submission

- 1. Mr John Steele (1)** (Interview and written)
- 2. Board of Directors (10)**
 - a. Chairman – Mr Martyn Thomas (Interview and written)
 - b. President RFU – Mr Richard Appleby
 - c. Chairman of Governance – Mr Peter Baines (Interview)
 - d. Co-opted & Vice Chairman iRB – Mr Bill Beaumont CBE (Telephone interview)
 - e. iRB Member – Mr Jonathon Dance (Interview and written)
 - f. Council Elected Member – Mr John Douglas (Interview)
 - g. Finance Director – Vacant
 - h. Chairman of Professional Game Board – Mr Ian Metcalfe (Telephone interview)
 - i. Council Elected Member – Mr John Spencer (Interview)
 - j. Chairman of Community Game Board – Mr Rob Udwin (Interview)
 - k. Council Elected Member – Mr John Vale (Interview)
 - l. Executive Member – Mr Paul Vaughan (Interview)
- 3. RFU Company Secretary and Legal Officer – Ms Karena Vleck (1)** (Interview)
- 4. RFU Staff Members: (22)**
 - a. Staff Member A (Interview and written)
 - b. Staff Member B (Interview)
 - c. Staff Member C (Interview and written)
 - d. Staff Member D (Interview)
 - e. Staff Member E (Interview)
 - f. Staff Member F (Telephone interview and indirect written)
 - g. Staff Member G (Indirect oral)
 - h. Staff Member H (Indirect oral)
 - i. Staff Member I (Indirect oral & written)
 - j. Staff Member J (Indirect written)
 - k. Staff Member K (Indirect written)
 - l. Staff Member J (Indirect written)
 - m. Staff Member L (Indirect written)
 - n. Staff Member M (Indirect written)
 - o. Staff Member N (Indirect written)
 - p. Staff Member O (Indirect written)
 - q. Staff Member P (Indirect written)
 - r. Staff Member Q (Indirect written)
 - s. Staff Member R (Indirect written)
 - t. Staff Member S (Indirect written)
 - u. Staff Member T (Indirect written)
 - v. Staff Member U (Indirect written)

5. RFU Council Members: (16)

- a. Council Member A (Verbal)
- b. Council Member B (Written and verbal)
- c. Council Member C (Written and verbal)
- d. Council Member D (Written and verbal)
- e. Council Member E (Indirect written)
- f. Council Member F (Indirect written)
- g. Council Member G (Written)
- h. Council Member H (Written)
- i. Council Member I (Written)
- j. Council Member J (Written)
- k. Council Member K (Written)
- l. Council Member L (Written)
- m. Council Member M (Indirect written)
- n. Council Member N (Indirect written)
- o. Council Member O (Written)
- p. Council Member P (Written)

6. External to RFU: (16)

- a. External A (Interview, written and audio)
- b. External B (Interview and written)
- c. External C (Written)
- d. External D (Written)
- e. External E (Indirect written)
- f. External F (Indirect written)
- g. External G (Indirect written)
- h. External H (Indirect written)
- i. External I (Indirect written)
- j. External J (Indirect written)
- k. External K (Indirect written)
- l. External L (Indirect written)
- m. External M (Written)
- n. External N (Indirect written)
- o. External O (Interview)
- p. External P (Verbal)

Analysis of Press Reports

Context:

1. The RFU's strategic operation and direction along with its reputation have been and continue to be undermined by repeated availability of unauthorised information by various members of the press and other individuals/organisations.
2. It is evident and should have been clearly evident to all members of the RFU Board of Directors that a significant amount of this information could only have originated from within the Board.
3. The Board of Directors has not evidenced a desire to make a concerted effort to address the release of unauthorised information from the Board.
4. The issue of leaks and un-authorised release of information to the press has been of significant concern and has been raised at Council on a number of occasions.
5. The issue was considered significant enough, by Council, that in 2009 a media protocol was introduced.
6. Not all leaks emanate from the Board but a significant number obviously do.
7. During this investigation many other examples of significant and damaging unauthorised release of information were uncovered but have not been included if the potential source of the information was outside the Terms of Reference of the Review Panel.

Key Events examined:

1. RFU restructuring including Board Meeting 5 Jan 2011
2. Appointment of the Rugby Development Director
3. Appointment of the Rugby Operations Director
4. Appointment of Rugby Performance Director
5. Meeting between CEO, Chairman and Bill Beaumont 11 May 2011
6. Board Meeting 12 May 2011
7. Board Meeting 9 June 2011

Key Documents and Sources of Information

1. Press articles (various) from the public domain
2. E-mail correspondence confidential to Review Panel
3. Board of Directors 'Bible' Season 2010/2011
4. Board of Directors Minutes August 2009 – April 2011
5. Council's Standing Orders, Aide Memoire including RFU Media Protocol
6. Confidential Interviews with:
 - a. Martyn Thomas - Chairman
 - b. John Steele – former CEO
 - c. Board Members
 - d. Senior and Mid-seniority staff of the RFU
 - e. Others

Outcomes

1. Under collective responsibility the Board share culpability for failing to seek a solution for the ongoing culture of unauthorised releasing of damaging information.
2. The only source that has access to all the information covering the full spectrum of the key events investigated was the RFU Chairman of the Board of Directors
3. The majority of elected Board members believe that the Chairman of the Board has been the source of a significant amount of unauthorised information being released in to the public domain.

Board Discussion on ‘Leaks’

An examination was made of the signed Board minutes from August 2009 until the present. It was found that the Board had formally discussed the leaking of information and/or confidentiality of information on three occasions. They are as follows:

Minute 2180.1 [16 September 2009] – Image of the Game Task Group

The Chief Executive⁵ reported that there had been two meetings of the Image of the Game Task Group on 7th and 14th September. He was pleased to report that confidentiality had been strictly observed by the Group.

Minute 2292.9 [24 March 2010] – Media Coverage

The Board discussed the adverse media coverage. In particular, this appeared to be emanating from a ‘source’ at the RFU or within Twickenham. It was extremely damaging to the iRB for either Council members or staff to make comments and it was **AGREED** that a clear statement must be made by the RFU in support of the Elite Rugby Director, the England Team Manager and his coaching team. Martin Johnson had been appointed until the end of the RWC 2011 and was entitled to choose his own coaching team.

Minute 2424 [24 November 2010] - Championship Clubs’ Financial Issues

(Penultimate paragraph, last sentence)

The Board noted that continued leaks by the Championship would not assist in the RFU in obtaining sponsors for the Championship.

Minute 2832 [27 April 2011] – Chief Executive’s Report⁶

(Last paragraph)

In terms of the Performance Director, it was proposed that the job description would be changed so that he or she would be responsible for all England teams up to the Senior England men’s team before the Rugby World Cup in 2011. The job description would then be reviewed after that. This was unanimously **AGREED** by the Board. There had been lots of speculative Press over the weekend in relation to the appointment. Because of this a statement had to be put out. It was an open process. All applications remain confidential. However the RFU needed to remind people that this role was a bout talent development. The candidate would not be the face of the England team, which was the England Team Manager

Though the minutes for the meetings in May and June have yet to be produced, the review panel received evidence that one of the key findings by Peter Baines’ enquiry⁷ was the impact of leaks on the Union.

It was considered that this did not evidence an understanding of the seriousness of the issue, the potential impact to the reputation of the RFU or a collective desire to address the issue. It was concerning to observe that the Board looked elsewhere for the source of leaks and not at themselves.

⁵ Francis Baron CBE

⁶ John Steele

⁷ Instigated at Non-Executive Board meeting on 22 May 2011

The role of the Board in taking a lead in such issues should have been known and understood. It has often been reported that the RFU should be run to PLC standards. The Financial Reporting Council's Guidance on Board Effectiveness suggests that an effective board develops and promotes its collective vision of the company's purpose, its culture, its values and the behaviours it wishes to promote in conducting its business. Similarly the recently published Voluntary Code of Good Governance for the Sport and Recreation Sector suggests, as its fifth and sixth principles that "5. *The Board needs to be conscious of the standards it should operate to, and its role in exercising appropriate and effective control over the organisation.*" and "*The Board needs to be open and accountable to its membership and participants and its action should stand up to scrutiny when reasonably questioned.*". Despite the work developing the RFU's core values it is considered that the Board were ineffective and remiss in seeking to address the issues of 'leaks' and did not exercise control of itself nor set appropriate standards for itself.

1. RFU Restructuring

Key Events	<ol style="list-style-type: none"> 1. 5 May 2010 John Steele selected as CEO 2. 9 June 2010 John Steele announced as CEO 3. Re-structuring review undertaken within very limited access boundary 4. 5 Jan 2011 re-structuring proposals presented to Board 5. 6 Jan 2011 re-structuring proposals presented to staff
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Access to the Information:

Chairman	Yes	CEO	Yes	Board – Non Exec	No
Board – Exec	No	Legal Secretary	No	CEO PA	Yes

Plus:

HR Consultant	Yes	John Douglas	Yes	Purple Works	Yes
Peter Thomas	Yes	John Owen	Yes		

1 Jan 2011	The Times – Mark Souster
Key Points	<ol style="list-style-type: none"> 1. They are understood to involve the departure of key personnel and a reshuffling of other senior positions, followed by job cuts. 2. If that is endorsed, Andrew, who, is on a rolling annual contract, would be offered an important alternative logistics brief, possibly under the title of operations director. 3. A high-powered individual of proven achievement, such as Woodward, England's World Cup-winning head coach in 2003, would take charge as performance director. 4. The holders of both posts would report directly to Steele.
1 Jan 2011	The Daily Telegraph
Key Points	<ol style="list-style-type: none"> 1. The restructuring could see Rob Andrew, director of elite rugby, moved sideways, perhaps as operations director, with a separate job being created of performance director, with the two roles sharing responsibility for the rugby at the elite level.

2. Appointment of Rugby Development Director

Key Events	<ol style="list-style-type: none"> 1. Assessment Day completed 8th March 2011 2. Selected candidate Steve Grainger, CEO of YST 3. Information inappropriately available to one of the unsuccessful candidates that Steve Grainger was chosen candidate on 14 March.
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Access to the Information:

Chairman	Yes	CEO	Yes	Board – Non Exec	No
Board – Exec	No	Legal Secretary	No	CEO PA	Yes

Plus:

HR Consultant	Yes	Rob Udwin	Yes		
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15 Mar 2011	E-mail correspondence – Source and full detail available to Review Panel
Key Points	<ol style="list-style-type: none"> 1. Evidence that one of the unsuccessful candidate's knew of the appointment before official announcement (scheduled for 23 March 2011). 2. Steve Grainger had yet to inform his own organisation (apart from his Chair)

3. Appointment of Rugby Operations Director

Key Events	<ol style="list-style-type: none"> 1. Assessment Day completed 2. HR Consultant given 48 hours to inform unsuccessful applicants before official RFU announcement 3. CEO becomes aware that the Daily Telegraph have information 4. Council Members informed by e-mail at 22 March 2011 23:14:23 of appointment due to press leak
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Access to the Information:

Chairman	Yes	CEO	Yes	Board – Non Exec	No
Board – Exec	No	Legal Secretary	No	CEO PA	Yes

Plus:

HR Consultant	Yes	Rob Udwin	Yes		
Rob Andrew	Yes	Peter Thomas	Yes		

22 Mar 2011	The Telegraph (On-line 20:26 22/03/11) – Mick Cleary
Key Points	<ol style="list-style-type: none"> 1. The RFU had hoped to make a decision on all the roles by the end of this month and announce them in tandem (talking about PD role). Instead Andrew will take on the operations role, one that is directed towards dealing with the Aviva Premiership clubs, while it is believed that the post of development director will be filled by Steve Grainger, the former chief executive of the Youth Sports Trust.
23 Mar 2011	The Telegraph (On-line 14:22 23/03/11)
Key Points	<ol style="list-style-type: none"> 1. Rob Andrew confirmed in new role as English Rugby Football Union’s new director of rugby operations with immediate effect, as part of a shake-up of senior management. 2. The RFU also hired Steve Grainger, former chief executive of the Youth Sport Trust, as the new director of rugby development, beginning in June.

4. Appointment of Rugby Performance Director

Key Events	<ol style="list-style-type: none"> 1. Applicants sifted in to three candidates 2. Assessment Day scheduled for 17 March 2011 3. Assessment Day cancelled by e-mail 15 March 2011 4. Assessment Day re-scheduled for 17 May 2011 5. One candidate's name not released by CEO wider than PA, still only candidate not reported in media
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Access to the Information:

Chairman	Yes	CEO	Yes	Board – Non Exec	No
Board – Exec	No	Legal Secretary	No	CEO PA	Yes

Plus:

HR Consultant	Yes				
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8 June 2011	The Times – Mark Souster
Key Points	<ol style="list-style-type: none"> 1. Rather than embrace Woodward, other candidates were actively sought and canvassed for their opinions. Among them were Conor O'Shea, the director of rugby at Harlequins, and Nigel Melville, the chief executive of USA Rugby. 2. In March, Melville also withdrew his interest, citing among other things unfinished business in the United States.
Possibility exists that Clive Woodward could also have had access through direct contact with other candidates	
8 June 2011	The Times – Mark Souster
Key Points	<ol style="list-style-type: none"> 1. On May 6, Woodward was asked to another interview by Brightman in an e-mail that included the payoff – attached is the “final version of the job description” 2. Puzzled, Woodward called Steele, who confirmed he was having second thoughts and that, contrary to the very public statement made in January, the performance director probably would not have the England manager or team under his command.

5. Meeting between CEO, Chairman and Bill Beaumont 11 May 2011

Key Events	<ol style="list-style-type: none"> 1. Short notice called to discuss <ol style="list-style-type: none"> a. implication of 27 April Board meeting b. PD role reappearing on RFU web c. PD role review/revert after RWC2011
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Access to the Information:

Chairman	Yes	CEO	Yes	Board – Non Exec	No
Board – Exec	No	Legal Secretary	No	CEO PA	Yes

Plus:

Bill Beaumont	Yes				
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11 May 2011	The Evening Standard – Chris Jones
<p>Key Points</p> <p>Meeting reported in Evening Standard before it took place. Report @ 13:00 meeting @ 15:30</p>	<ol style="list-style-type: none"> 1. “England rugby’s power brokers were holding a crisis meeting at Twickenham today after Sir Clive Woodward’s imminent appointment as the new performance director was thrown into serious doubt. 2. “Steele was called to a meeting today by Martin Thomas and Bill Beaumont.

6. Board Meeting [12 May 2011]

Key Events	<ol style="list-style-type: none"> 1. Press release on 11 May from RFU had felt need to clarify capping of Rugby Performance Director role at Saxons 2. Teleconference board meeting 3. Short notice, considered to have been example of poor governance with Board members joining and leaving the teleconference. 4. 8 remain at time of vote, voting 4-3 to revert to original Job Description for Rugby Performance Director, 1 abstention 5. E-mail from John Steele to Council (also one released to staff) 13 May 6. No press release or official communication provided for details before
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Access to the Information:

Chairman	Yes	CEO	Yes	Board – Non Exec	Yes
Board – Exec	No	Legal Secretary	Yes	CEO PA	No

Plus:

Council*	Yes	Staff Various*	Yes		
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12 May 2011	The Evening Standard – Chris Jones
Key Points Information reported that was only available to the Board	<ol style="list-style-type: none"> 1. “The RFU chief executive has backed down over the new role’s [Performance Director] job description following 48 hours of crisis talk.” 2. “It is understood the RFU management board have told Steele to revert to the original job description which means....”
13 May 2011	The Times – Mark Souster
Key Points The press can only quote a director if it was a director who provided the information	<ol style="list-style-type: none"> 1. “According to one director who attended yesterday’s emergency board meeting the atmosphere was appalling “Steele got angry, refused to accept he was wrong and said some things he might live to regret” he said” 2. ““You have to wonder whether we chose the right person,” a board member said. “It has certainly not been our finest hour.”” 3. “They confronted Steele on Wednesday. At that meeting it was made clear that they felt he had brought the union into disrepute and made it a laughing stock.” 4.
13 May 2011	The Independent – Chris Hewett
Key Points Provided from within the Board	<ol style="list-style-type: none"> 1. Number of attendees 2. How the Executive member voted 3. Split decision
15 May 2011	Sunday Telegraph – Paul Ackford
Key Points	<ol style="list-style-type: none"> 1. The margin was by a single vote.

Possibly inferred from CEO e-mail	
9 June 2011	Daily Telegraph – Mick Cleary
Key Points Possibly inferred from CEO e-mail	1. The job description reverted to norm at that meeting, a public snub to Steele’s authority. The majority vote was narrow 5-4, but significant.
10 June 2011	Various sources
Key Points Provided from within the Board	1. Reporting of timeline gives the vote to be 4-3 with one abstention.

* Only had access to information from 13 May onwards.

7. Board Meeting [9 June 2011]

Key Events	<ol style="list-style-type: none"> 1. Meeting opens – CEO leads on discussion re: Performance Director role 2. CEO asked to leave the meeting 3. Discussion on performance of the CEO 4. Paul Vaughan and Karena Vleck asked to leave the meeting 5. Discussion on confidence in CEO 6. Board approves removing CEO from post 7. Formal minutes yet to be released 8. No press release or official communication provided for details before
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Access to the Information:

Chairman	Yes	CEO	No	Board – Non Exec	Yes
Board – Exec	No	Legal Secretary	Yes	CEO PA	No

Plus:

Paul Vaughan	Yes				
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12 June 2011	Sunday Telegraph – Paul Ackford
<p>Key Points</p> <p>Only included are those where the confidence that the source had to be within the meeting is considered very high</p>	<ol style="list-style-type: none"> 1. Paul Vaughan (as Executive Board Member – abstained 2. “Paul earned a lot of respect for speaking out” one source said. “He put his neck on the line. If the board had not gone with him, his position under Steele would have been untenable.” 3. Karena Vleck provided feedback, reported on the atmosphere within Twickenham, revealed that the senior staff had turned against Steele. 4. Requirement to make the decision within the first year of Steele’s tenure. 5. Peter Baines update the board on his investigation into the appointment of a performance director. 6. Baines reassured the meeting that this was not the case and there had been no impropriety. 7. The following week when Beaumont and Thomas made their diaries available to Claudia Brightman, Steele’s PA, to rearrange the interviews, they were told that none of the dates would fit. [Note: item also known by CEO & CEO PA]
<p>Other Points</p> <p>These are considered less reliable as they could have been construed</p>	<ol style="list-style-type: none"> 1. The precise details of this lengthy saga remain unclear, but there were concerns over the nature of Steele’s and Woodward’s relationship. 2. Thomas, as chairman, was obviously influential but he had considerable support from Ian Metcalfe, a managing partner with the law firm Wragge and Co, and Bill Beaumont,

Private & Confidential

Chief Executive's Objectives for 2010/11

CEO review (50%)

To conduct a review of the organisation and make recommendations to the Management Board on adjustments and improvements. On approval by the Management Board to set in motion and implement any changes (Terms of reference attached)

Strategy Implementation (10%)

To ensure that the business plan is implemented on schedule, making adjustments and improvements as needed to ensure the strategy continues to be active and a day-to-day part of decision making. Review the planning system including targets and ensure the right operational priorities are selected and that outcomes are delivered on schedule.

Leadership (5%)

Purpose-direction-shared understanding-supported with the means and the right conditions-values/behaviours demonstrated. Right people in place doing the jobs, doing the right things in the right way.

Stakeholder engagement (20%)

To assess and strengthen the relationships with rugby's stakeholders domestically and internationally, and continue to ensure significant improvements are made to communications so that the Image and Reputation of Rugby and the RFU grows.

Business and Finance (10%)

To deliver the planned/budgeted returns. Review and make improvements where necessary to a corporate planning process.

Performance measures (5%)

To agree CEO specific measures during first 100 days and validate the overall targets for the business, ensuring they are clear, understood and people know how to impact them, right across the RFU. Review the performance management system for the organisation.

Private & Confidential

Terms of reference for Chief Executive Review 2010/11

- **The strategic plan** – analysis of our business is working against plan, what needs to be improved and where things can be speeded up. Also includes an initial top level review of the corporate planning system.
- **Day to day operations** – to check on effectiveness and efficiency and recommend adjustments, including identification of opportunities for an improved, more joined up way of working.
- **Values** – to include developing a fresh understanding of the degree to which our core values are currently influencing the way we work/ behave and thus how our sport works. RFU values versus rugby values.
- **Structure of the organisation** – to review structure of the organisation and how this could be improved to achieve greater efficiency and greatness.
- **Resources** – to review the allocation and use of resources, financial and non-financial and check for alignment and opportunities to maximise the return on investment.
- **Communication** – to review the current approaches, and to identify opportunities for improvements to the effectiveness and consistency of communication and influencing with rugby's stakeholders.
- **Leadership** – to review the approach to leadership at the RFU and to plan for long-term sustainable development.
- **People** – to listen to all areas of the business and stakeholders. Identify opportunities to strengthen and accelerate the development of the desired culture within the RFU.

The initial review is to be conducted during the CEO's first 100 days and presented to the management board in Dec 2010.

**Annex E to
Blackett Review Report
Dated 1 September 2011**



Our ref EAM/DG/CAS/081717/00001

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For the attention of: Ms Katie Lancaster

14 June 2011

By Email ONLY: katie.lancaster@farrer.co.uk

Dear Sirs

Your Client: The Rugby Football Union
Our Client: Mr John Steele

We write further to the recent termination of our client's employment and the terms of the Compromise Agreement dated 10 June 2011.

As you are aware, Clause 10 of the Agreement reads as follows:

"The Employer will use its reasonable endeavours to ensure that its employees and officers do not make or publish any statement, comment or remark which could harm your reputation."

Over the weekend of 11 and 12 June 2011, your client has acted in direct breach of clause 10. In particular, we note a number of high profile comments to the media made by your client's Chairman, Martyn Thomas. We do not intend to recite these comments in full, although examples include:

"John, in our opinion as a board, was unable to deliver what we sought him to deliver as chief executive officer of this union... There were issues to do with the degree of commitment to the requirements of sponsors and we were not satisfied it would be possible for John to deliver what we required... We have to be satisfied we have a chief executive in post at the RFU who is going to take us through to [the World Cup 2015] and has a safe pair of hands." [Martyn Thomas, Daily Express, 11 June 2011]

"The board had lost confidence in John as a result of... internal aspects in relation to our dealing with sponsors and stakeholders within the game." [Martyn Thomas, BBC Radio Five Live: Sportsworld: 12 June 2011]

The repeated remark by Martyn Thomas that "information from members of staff, stakeholders and potential sponsors" (for example on June 11, 2011 The Independent), was the reason for our client's termination of employment, is a wide ranging and highly detrimental statement which has caused our client considerable upset and distress.

Once again today, there have been further damaging comments from Martyn Thomas, directly critical of our client. For example:

"I had a long session with Rob Andrew on Saturday and he expressed concerns that he had not been consulted prior to John putting his paper to the RFU board in January." [Martyn Thomas, The Telegraph, 14 June 2011].

Your client must now immediately refrain from these unwarranted and inflammatory comments.

The damage such statements will inevitably cause to our client's reputation is unquestionable. As such, we are instructed to express, on behalf of our client, his considerable disappointment and concern at your

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client's actions, particularly given the express provision within the Compromise Agreement preventing such detrimental communications.

We therefore request that you reiterate the terms of Clause 10 to your client today and remind them of their unequivocal obligations under the terms of the Compromise Agreement. We trust that you will ensure that all of your client's Board are made aware of our client's concerns and that this will be an end to this matter. However, in the event that a further breach is committed, we must fully reserve our client's rights in relying on the above breaches of Clause 10 in relation to any future litigation in this matter.

Yours faithfully

Charles Russell LLP