



Select Committee on the European Union

Home Affairs Sub-Committee

Oral evidence:

Brexit: movement of people in the fields of sport and culture

Wednesday 21 February 2018.

10.30 am

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Members present: Lord Jay of Ewelme (Chairman); Lord Crisp; Baroness Janke; Baroness Massey of Darwen; Lord O'Neill of Clackmannan; Baroness Pinnock; Lord Ricketts; Lord Soley; Lord Watts.

Evidence Session No. 2

Heard in Public

Questions 11 – 19

Witnesses

I: Mr James Allen, Director of Policy, Governance and External Affairs, Sport and Recreation Alliance; Mr Brendon Batson OBE, Chairman, Professional Players Federation; Mr Angus Bujalski, Legal and Governance Director, Rugby Football Union.

Examination of witnesses

Mr James Allen, Mr Brendon Batson and Mr Angus Bujalski.

Q11 The Chairman: Good morning to you all, and thank you very much for coming to give evidence to us. We have been looking forward to this session.

We have done quite a lot of work on the potential impact of Brexit on freedom of movement. It was clear from a number of people who gave evidence to us that both on cultural issues, which we discussed last time, and on sport there are potential implications of Brexit—they have quite a lot of public interest as well—so we are keen to examine those in greater detail.

We are very grateful to you for coming to give evidence to us. The hearing is in public and will be recorded. We will send you transcripts of the evidence in a day or two for you to look at.

Would you like each in turn to introduce yourself and say a little about the organisation that you represent, its size and whom it represents, to give us a bit of background before we go into the more detailed questions?

Mr Brendon Batson: I chair the Professional Players Federation, which is made up of all the major player associations, with representatives from across the UK. We have about 12 members.

The Chairman: It includes Scotland.

Mr Brendon Batson: Yes, it does. We have members ranging from the Professional Footballers' Association in England, the Scottish PFA and the Rugby Players' Association to the PGA, with the European Tour, and jockeys—the major player associations. We have approximately 17,500 members. Obviously, the PGA has a lot of members. In football, it is about 2,500 to 3,000 members. We look after the welfare of our members. We are an umbrella organisation. We meet to talk about things of mutual interest; to give you a flavour, a very big thing for us is the mental health issue. We talk about player transition. It is anything involving player welfare while they are current members and, once they have finished, in their retirement.

Q12 The Chairman: Perhaps something that you and the others could cover is how far your members are UK citizens, EU citizens or citizens from outside the EU/EEA. What is the composition of your membership?

Mr Brendon Batson: The caveat I put on that is that it is not definitive. We do not have what I would call really accurate figures, but, for instance—

The Chairman: Roughly.

Mr Brendon Batson: In the Premiership, for instance, we have only about 31% British players. The rest are outside, from the EU and worldwide. Interestingly, the LMA—the League Managers Association—is

one of our members, and it has an issue, particularly at the top level, with the lack of British managers in the Premiership.

Across the board, the numbers reflect the free movement of athletes from the EU and the world at large. There are restrictions, as you know, on work permits, but there is free movement, and that impacts on possibilities for British home-grown players.

The Chairman: We will come on to some of the more detailed things, but that is very helpful to start with.

Mr James Allen: I am from the Sport and Recreation Alliance. We are the representative body for the national governing bodies for sport and recreation in England, although because of the nature of sport some of our members operate across the whole of the UK. We also represent a number of other organisations, such as county sports partnerships and sport for development charities. We have an interest in elite and professional sport, which represents the top of the pyramid of what our members do. It is the shop window for the sports sector. However, we also have a close interest in what goes on beneath that level. We do a lot of work in grass-roots and community level sport.

To try briefly to give a bit of a flavour of the composition of the workforce, it is difficult to be definitive, in that many employers will not know or will not have asked their employees exactly how many of them are from other member states, but the estimate is that around 1.2 million people work in the sports sector in this country, which represents about 4% of the overall UK workforce. Of that 1.2 million, approximately 3.5%, we think, are European nationals and around 2% are non-EEA nationals from elsewhere in the world. What that relatively small number slightly disguises is that there are very high concentrations in some of the most high-profile roles, and some of those people will be in strategically important positions, so it should not be concluded from that relatively low percentage that there will not be any impact, because we think there will be.

The Chairman: Thank you. Mr Bujalski.

Mr Angus Bujalski: I am the legal and governance director of the Rugby Football Union. The Rugby Football Union—the RFU—is the national governing body for rugby union in England. There are separate governing bodies for Scotland and Wales, and a unified body for Ireland, which covers both the Republic and Northern Ireland, so I can only really speak for England.

The RFU runs everything from the national elite sides, the men's and women's seniors, sevens and other age-grade sides to governing and growing the community game, right the way from the professional level at the Premiership, which is administered by a separate company—Premiership Rugby—all the way down to the grass-roots game, the kids' game that people see on Saturday and Sunday mornings. As an organisation, we have 614 employees; everything from Eddie Jones, the

England men's head coach, all the way down to grass-roots coaches, plus HR, finance and legal, the whole gamut of employees that you would expect in any sort of organisation.

We do not hold nationality data on our employees once we have established right to work, so we cannot give proportions for what nationality our employees are. As regards the players, the top two levels in rugby in England are professional: the Premiership and the Championship. The next two levels are broadly semi-professional, and below that it tends to go into the amateur game. The data we have on the semi-professional and professional levels is from last year. We have a little over 4,300 players, of whom some 1,800 are registered contracted players. The vast majority are UK based, probably 10% being Kolpak players. We can come on to Kolpak later.

The Chairman: Kolpak is a concept that was quite new to us until we started preparing for this hearing. We are now becoming experts and looking forward to hearing more from you about it as we go through the hearing.

Mr Angus Bujalski: I feel I have been nominated as the Kolpak explainer here, which is fine. In rugby, compared with football, we have a relatively small number of non-UK EU players. Generally, the nature of rugby is that it is concentrated in a few countries rather than being truly worldwide. The majority of our non-UK players would be Kolpak, from the Pacific islands, South Africa, plus, of course, Australia and New Zealand. There are small numbers of French, Italians, Georgians and others.

The other thing the RFU does, which is similar to some of the other larger governing bodies, is to operate a national stadium. We own and run Twickenham, which is an 82,000-capacity, large national stadium. We employ roughly 2,500 staff on a match day. Those are not permanent employees; the vast majority are casual, either recruited directly, through agencies or through some of our joint venture partners. Of the people we have on our database, roughly 25% are EU, non-UK EU.

The Chairman: Did you say 25%?

Mr Angus Bujalski: Yes, 25%. They are waiting staff, security, bar staff and general administrative people we bring in for a major event. I imagine that the numbers at Wembley, Lord's, et cetera would be not dissimilar. Slightly less than 4% are non-EU. That gives a flavour of what we do.

The Chairman: Thank you. That has been a very helpful introduction. Baroness Massey has a follow-up question.

Baroness Massey of Darwen: Can I ask about your membership, which at least two of you talked about? How many women are in the membership of the organisations and how many women are on your boards?

Mr Brendon Batson: We have two. The PPF does not really have a board; we have an executive committee. The membership send their CEOs to our meetings. From that, I think we have two who come along to our meetings.

Baroness Massey of Darwen: Out of how many?

Mr Brendon Batson: Twelve.

Mr James Allen: We represent organisations rather than individuals. Within my own organisation, our board is 50% male, 50% female. The sports sector generally is improving its gender parity but has work to do. The code for sports governance requires all organisations in sport that are in receipt of public funds to have a minimum of 30% of people of both genders on the board. All the sports that have been assessed so far are compliant, so they are either at that point or very close to it and have a credible plan for getting there.

We absolutely accept that we want more progress. We are pleased that, as an organisation, we have been able to make that progress more quickly. It is true that women are underrepresented in sport participation. There is a gap of around 10% between the rates at which men and women participate. That gap is slowly closing, but it is another area where we want to see quicker progress.

Mr Angus Bujalski: From an RFU perspective, once our new CFO starts next month, we will have four women out of 14. We recently changed our constitution in line, as James said, with the sporting and UK sports governance code to better hardwire gender diversity throughout the organisation. We have adopted a much broader diversity and inclusion plan, again following the sports governance code. The idea is to drive, among many things, better gender diversity in the senior management of these sorts of organisations.

Mr Brendon Batson: As I said in the introduction, we are made up of different bodies—player associations. I do not know all their workings intimately but football was my sport, and I remain a trustee of the PFA, the Professional Footballers' Association. Its management committee, which is made up of current players, has at least two female members, and all the England players are now members of the PFA. That has been a recent introduction in football, over about the last five years.

The Chairman: Thank you very much. That is a very interesting question after the women curlers did extremely well overnight.

Q13 **Lord Soley:** Can you give us some idea of what you consider to be the key choices facing the Government in relation to EU-UK migration prior to phase 2 of the Brexit negotiations, which will begin shortly? What are the key choices you think the Government should be considering?

Mr Angus Bujalski: There are a number of areas to think about. Something we have touched on a little already is that they should not focus purely on professional sportspeople. It is extremely important to

look at sport in its whole sense. James talked about the importance and the scale of sport in the economy. Rather than focusing purely on the movement of professional players, which of course is hugely important, we should think about the support that is needed, whether that is coaching staff, strength and conditioners, all the people around the game, or the people who enable sport to happen. I have talked a little about the scale of what we do at Twickenham. The same is true tenfold for major events, whether that is the Olympics, the European Championships, the Rugby World Cup or the Football World Cup—those sorts of things. From a personal perspective, my view would be that a key choice is how easily we want those workers to be able to move in and out of the country, as well as the professional players.

The third limb, of course, is fans and how easy we want it to be for travelling fans, both coming into the country and going out again. It is not necessarily even the major events such as the Olympics or world cups, which are concentrated in one country; many tournaments are cross-border such as the Champions League, with the games last night, the Rugby Champions Cup and the Six Nations that is going on at the moment. For each of these tournaments, it is critical that there is a balance of home fans and away fans at each event; it builds the profile of the tournament, it builds prestige and it builds the atmosphere at grounds. If you cannot have away fans, the atmosphere is not as good, which then has consequential issues for broadcasting and for sponsors.

The three choices are, ultimately, how easy we want it to be for players and coaches to move, how easy we want it to be for the workers who support sport as a business, and, finally, how easy it is for fans to participate effectively and make these tournaments.

Mr Brendon Batson: I will concentrate my reply on the elite end of the sport because that is my role. There is a distinction between team and individual sports. With team sports, there is no question but that we want lasting success, particularly when the spotlight shines on the Premier League, with the movement of top-quality players coming to these shores. We do not export players from these shores, not in football anyway, but certainly we want that quality brand coming in.

We would also look at quality control, so that we do not prevent the development of younger, home-based players. Going back many years, when we first started to have the influx particularly of non-EU nationals, it did not work well, because we were suddenly finding lesser players playing in the lower divisions where they could not make a distinct impact on the game. We need some sort of quality control.

Touching on what Angus said, the individual sports have a different problem to face—for instance, jockeys who are elite athletes travelling to and fro, and people in the stable yards. There are employees from EU countries, and we do not want anything that is bureaucratic disrupting that free flow or having a negative impact on the business. There has to be a certain distinction between team sports and individual sports. If individuals need to qualify—for instance, in golf—and to have a qualifying

card, we hope that they will be allowed in not just for the tournaments but for their practice sessions and pre-tournament sessions, and that there will be a reciprocal arrangement.

Mr James Allen: I agree with all those points and I have a couple of things to add. The first is specifically on shortage occupations, and horseracing is a very good example. The people who make horseracing happen are the grooms. There are around 7,000 grooms in this country, and about 1,000 vacancies already, with over 10% of people working in the industry being European nationals.

The Chairman: Which industry is that?

Mr James Allen: Horseracing. For grooms—the people who work in stable yards—there are around 1,000 vacancies in 7,000 jobs, and 11% of the people working in that industry are European nationals. It is already a shortage skill in this country. Horseracing is the second largest sport in revenue and attendances, so it is strategically important to the sector and to the economy. It is a good example of where there are shortage occupations, and we would want that to be considered, and a proportionate and swift decision to be made.

I have two other points. The first relates to seasonal workers, and it applies to a number of sports. Two examples of which I am aware, sailing and snow sports, are seasonal, for obvious reasons. We export significant numbers of people and significant expertise from this country and we make money from that, both as a country and as a sports sector, so the reciprocity that Brendon mentioned is very important.

My second point is about visa requirements. Often, sporting competition at all levels happens at relatively short notice, so if we want to continue to host vibrant sporting competition in this country at all levels, from amateur up, just telling people to get in the queue with everyone else who is applying for a holiday visa might not be enough. We need to be mindful of the nature of sport and that people may not be able to plan six or nine months in advance. Those are the few slightly more specific things I would add to my colleagues' answers.

Lord Soley: Thank you for those answers, which are very helpful. It seems to me that it must be easier to get a team in, perhaps with a supporting group, when it is known as a team, than it is for an individual who may be trying to make their way in a particular sport, as in the item you just touched on. That is where I think there are going to be problems. Are people going to have more difficulty getting in from the EU than they would have done?

Mr James Allen: Potentially that is a concern, yes. At the higher end of professional sport, although additional financial burdens and bureaucracy are not helpful, to an extent they may be seen as a transactional cost of doing business. At an individual level or at lower levels of sport, what may seem like relatively modest payments to get a visa to come into the country, for example, will be a real barrier to people. It is very hard to

quantify what that impact will be, but, intuitively, your argument is logical: it is at the amateur and individual level that we are likely to see the biggest impact.

Lord Soley: I have a brief last question, to you, Mr Batson. Players in football can attract a very high fee. What impact do you think Brexit will have on their ability to move? As I understand it, a lot of the money in British sport comes from people of very high income being bought and sold, in effect. Is that right or not? One particularly notices in the Asian games at the moment that they often support names rather than teams in the UK. That is right, is it?

Mr Brendon Batson: It is partly right. The TV revenues drive the game, certainly in England, where there is much more solidarity in the revenues that come into the game. In Europe, there are big platforms; the big European teams have their separate platforms, so they are driving their revenues through that. On the commercial side, when we talk about big fees, a lot of it is to do with the image rights of the individual player, who gives those image rights to the club to exploit. That fee will be gone within a few weeks or months, because of shirt sales.

In answer to your question, I am not sure there will be a huge impact, because it is driven by the other revenues that come into the game. I do not think it will affect ticket prices so much. For clubs, as James mentioned, there is a cost involved in the acquisition of an individual player. Where there is additional cost for work permits and suchlike, it is all factored in. The main thing is what the player will accrue in image rights and what they do on the pitch.

Q14 **Lord Watts:** It seems to us that there are two main options after Brexit: free movement for workers with a job offer, or restrictions on the same lines as those in place for non-EU citizens. I would be interested to know whether that assumption is correct or whether there is a third option that you would prefer or you think should be considered. We would also like to know the impact on an employer's ability to recruit. Is there going to be an impact on wages and prices? How enforceable are the two options that I have just talked about, and what are the implications for UK citizens if a reciprocal deal is done with other European countries? Whatever that deal is, what impact will it have on UK citizens going the other way and working in Europe? It is quite a long question, but maybe someone wants to attempt it.

Mr Angus Bujalski: There were a number of questions, and I hope I can answer them all. On enforceability, it is very difficult to tell without seeing exactly. These are very complex arrangements. I do a lot of work with the Home Office, with the Border Agency as was, around schemes for non-EU/EEA citizens to come in. It is enormously complex, so I do not feel qualified to answer on enforceability.

On the two options you talked about—free movement for workers with a job offer or what we have for non-EU workers at the moment—at one level, certainly for professional rugby, all that stuff is manageable for

professional sportspeople. I would defer to Brendon on some of this, but a highly paid sports star tends not get on the Eurostar to come over on spec to look for a job. They would come over once the contract was already set, so I do not see much effect at the professional level.

Going back to the point on the business of sport, it is all well and good to have highly paid professionals earning their money and broadcasters coming in, but you need people to support them: the cleaners, the waiting staff and the people employed by broadcasters to make these things happen. A number of those people are non-UK nationals. The difficulty with those sorts of people, in common with probably most jobs in the country, is that you would not automatically have a job offer before you came into the country.

It is really important to separate the two. At the high level, there would probably not be much effect, and it would be the same with the current restrictions for non-EU players. All that is workable and may or may not have a dramatic effect. The real dramatic effect would be in allowing sports teams, national governing bodies, international federations and major events to function. That is where the real risk would be in choosing one of those two options.

Mr Brendon Batson: I go back to my earlier point; this is about quality control and may be an opportunity to put things in place that allow quality control to be even more refined, which in effect would have more benefit for players who are not playing at what I call the elite end, the Premier League and Championship, but who are getting opportunities lower down, in Leagues One and Two. The opportunity is there.

We have to remember that the transfer fee is for the registration of the player. That is what the money is about, and contracts are now being put in place with buy-out clauses, so the prospective employer knows what he is going after and the amount of money involved. The difficulty has always been how we give home-grown talent opportunities to get to the elite end, which benefits national teams. We see what has happened in Scotland, for instance. In England, we see major teams, the biggest teams, that have bolstered squads with a lot of home-grown players but they are not being given a chance.

I think there is an opportunity. The big “but” is that we do not want to damage in any way that movement, which puts our game across the world as one of the best leagues in the world. I use “best” in its widest sense. Technically, there are some questions, but, as to excitement, there are only two territories to which the Premier League does not export; the Premier League is now as big as that. There is an opportunity to stem some of the lesser players coming in and taking opportunities away from home-based players.

Mr James Allen: I am not an expert on enforceability, but instinctively I would say that either of those systems is enforceable. The question for me is more around proportionality and speed. The current system is not perfect, and there are already issues for the ability of people in smaller,

amateur and community sports to come in and out of the country. It is already not an entirely smooth process, and we would be concerned about anything that made it worse.

To touch on wages and prices, in a sense a reduced pool of labour from which event organisers can draw may increase wages for people. I think that is unlikely. The bigger risk is that prices will increase, because the cost of staging events may increase and that is likely to be passed on to the consumer. The other thing that may potentially happen is that we become less attractive as a destination for hosting major events, for two reasons: it becomes more difficult to get people, equipment, money and everything else in and out of the country; and the event organiser here may have to pay a return to the international federation, or whoever has the rights to award the event, and that may become more expensive. The risk is that there will be fewer things for which to buy tickets. It is possible that wages may increase and that prices to the consumer for more regular events would increase as well.

Lord Watts: The point that has just been made is that there is an opportunity in the sense that if you restrict the number of foreign players coming into the Premier League, for example, it makes opportunities for players in the lower English leagues to be promoted to the Premier League. One thing that happens at the moment is that young Brazilian players, who I think everyone would agree have undoubtedly made a contribution to British football, are usually farmed out again. They are signed, registered and then sent to a European state, for whatever the period is, and brought back once they have developed, but that allows them in. They cannot come directly because they are not EU citizens. How do you think that is going to play after Brexit?

Mr Brendon Batson: That is quite interesting because, obviously, it is a question that FIFA has had to try to address in its rules and regulations. There are restrictions on under-18s; they cannot come over unless certain criteria are met, such as parents travelling with the youngster. There is no question: clubs at this end, because of the TV revenues, are able to recruit worldwide. They have scouting systems all across the world and there is almost a dog-in-the-manger attitude in the big clubs; if one sees a good player, just to be a spoiler it will be interested in that player as well, and, as you say, a lot of those players are then farmed out. It is almost like a revenue stream.

At the top end, because of the strength and attraction of the Premier League, there will be difficulties with the requirements of the national governing body. Just to move on a bit, to where we are trying to be, we almost need a tripartite agreement or working group, with the governing body, player associations and leagues coming to agreement, with, obviously, a certain amount of government oversight. For instance, the Champions League has restrictions on home-grown players. I cannot tell you the exact figure because I have lost track of it, but they have competition-specific rules that allow those push and pull situations, looking to have the best but also trying to promote home-grown talent.

Lord Ricketts: To follow up very briefly, Mr Batson, on your point about quality control and allowing space for home-grown talent to emerge, I was struck by a comment in your written contribution that the option for sports to bring back quotas for overseas players should be one of the aims of the Government's Brexit negotiations for sport. Could you develop that slightly? I think it is the same point; you want the Government to negotiate a capacity for us to implement quotas in individual sports. Is that what you are saying?

Mr Brendon Batson: Within team sports there is concern that clubs are recruiting players from eight or nine years old, telling them they are the best, and when they sign up as professional they are suddenly either put on loan or not given the opportunity to play in the first team, which has an impact on the national side. Although we are not looking to damage the brand that we have in this country in exposure and quality, we need to look seriously at how we can encourage clubs to be more committed to developing home-grown talent.

One of the problems is that, across the board, the average tenure for a manager is around 15 months, and in the Premier League it is less than that, so their long-term attitude is non-existent. I remember speaking to a manager who asked why I wanted to encourage him to develop young players when he might not be there next week. It is all about that 90 minutes. If there is a possibility, we should encourage clubs to say that some of that development has to go into their academy. We have academies but they are not producing enough players for the first team. They are producing players, but not for their respective first teams. That seems to be a drain on resources. Other clubs are looking at ways of bolstering their academies, putting players out on loan and then selling them on, but they are recruiting players worldwide.

Lord Ricketts: Is that a problem that could be solved by the Government negotiating with EU countries about quotas?

Mr Brendon Batson: There has to be a certain amount of government oversight and guidance, mainly for young players, but the stakeholders need to be more involved and more active in how they see the sport developing. Sometimes there is not enough encouragement for those parties to work together. Player associations, to speak from my personal viewpoint, are there to look after the sport so that it is in a better place when we leave, and we have to look after the interests of players, not just home-based players but those who are coming in, to ensure that they are properly paid, their conditions are right and they are not being treated as cheaper foreign labour.

Baroness Pinnock: I am a bit curious. I would have thought that sort of quota system, or encouraging home-grown talent into the higher leagues, was a decision that could be made within football. It sounds to me as if it is a football-based problem, not necessarily a Brexit-based problem. I do not know much about football, I admit, but cricket tried to solve this a number of years ago by restricting the number of overseas players who could play for county teams.

Mr Angus Bujalski: I will chip in with what we do in rugby. That might then take us to Kolpak, because there is an important part about quotas where Kolpak becomes important.

Baroness Pinnock: I tried to understand what Kolpak is, but I think I failed.

Mr Angus Bujalski: In rugby in England, we do something not dissimilar to cricket. As the governing body, we are able to incentivise the clubs at the top level to develop through an academy system but then to play in first-team matches England-qualified players. Some of that is due to the financial balance in cricket and rugby, in the sense that the governing body has larger revenues vis-à-vis the clubs, whereas football is very different. In some team sports, there is a sports-based solution and it does not necessarily come with quotas; it comes from incentivisation, but in football that is much more difficult because the clubs are so wealthy that the FA, it seems, is not able to incentivise clubs to play non-foreign players. That seems a fair way of putting it. Football is in a slightly different position from a number of sports.

What cricket and rugby have done—I am not completely au fait with it; I understand the cricket example broadly but not in the details—is to put in a quota system of what we call foreign players, which means non-EU players. That is fine to a point, but a lot of the non-UK players for cricket and rugby come from the southern hemisphere and other countries, so it is not really a European issue.

Now to Kolpak. The EU, as I am sure you know, has signed a number of association agreements with a wide variety of countries, particularly in Africa, in the Pacific and in a whole range of places. Part of those arrangements means that workers who come from those countries have to be treated as if they are EU citizens.

Baroness Pinnock: I got that bit, yes.

Mr Angus Bujalski: It does not mean that it gets them into the country, but, once they are in, they are to be treated as EU citizens. That means for a foreign quota that they cannot be treated as a foreign player; it is similar to a French player or an Italian player. Within rugby, we have in the top four divisions a limit of two foreign players in any match-day squad, but foreign cannot include EU, it cannot include Pacific islands, such as Fiji, Tonga and Samoa, which is a big rugby-playing area, and it cannot include South Africa. Realistically for rugby, the only foreign players you can minimise in the squad are from Australia and New Zealand, and of course a lot of New Zealand players have Fijian, Tongan and Samoan heritage, so if you can find a Fijian grandfather and get a Fijian passport, great, you are not foreign. Realistically, most of the only players rugby can count as foreign are probably Australian and a few from here and there. I think it is not dissimilar for cricket.

Baroness Pinnock: Cricket will be the same.

Mr Angus Bujalski: Kolpak was a Slovakian handball player who brought the case originally. I do not know the effect on football, but the Kolpak rulings mean that for cricket and rugby, which are largely former Commonwealth sports, the foreign player ruling does not really help at all, or has very minimal effect. The quotas in cricket and in rugby work to an extent, but Kolpak means that they cannot work as really intended.

The Chairman: Thank you for that. We will come on to some of those points later.

Baroness Massey of Darwen: I am glad a Yorkshirewoman asked a question about cricket, because Yorkshire used to have very strange rules about whom they would allow to play for their team. I will not go into that.

Baroness Pinnock: They are just the best.

Baroness Massey of Darwen: No, they are not—not any more. I am sorry about that. Of course, there is not much cricket played in Europe, to my knowledge.

Mr Angus Bujalski: Exactly.

Q15 **Baroness Massey of Darwen:** I want to ask about the immigration system. If the immigration system for EU migration were to be merged with the existing regime governing migration from non-EU countries, could we expect to see increased wages or higher employment levels for British workers and players?

Mr Angus Bujalski: I suppose, again, separating the two areas from the players and coaches, what we do in rugby in England is heavily to incentivise clubs to produce England-qualified players and coaches. On that front, there would probably be very minimal effect, because the non-UK rugby players who come to play in England are, by and large, non-EU anyway. There are relatively few French, Italian and others; I think we have a Lithuanian player. The numbers are small, so I think there would be a limited effect. At the risk of sounding like a broken record, the real effect, as I said, is going to be on all the people employed by sports teams, governing bodies and international federations who make sport happen. Without those people, we could not stage events.

To go back to the point James made earlier, I suppose with a smaller pool of talent to choose from, yes, potentially logic would seem to dictate that the wages of those who can be employed would go up. The question would be, and I absolutely echo James's point, that it is not so much that tickets and other things would become more expensive, but that we risk not being able to stage events at all. International federations or third parties tender cities or stadiums to hold tournaments. We are going through a tender now to host, or hopefully to keep hosting, one of the legs of the international World Rugby Sevens series, which is staged across the world.

The international federation wants to see that there is growth, and a number of things, but there has to be a financial return. If stadiums or governing bodies in England are not able to deliver that return to the international federations, there is a real risk that there will be fewer events here. To my mind, that is a bigger risk than ticket prices going up. Inevitably, either ticket prices go up or you invest less back into the sport; every pound we get we invest back into the game. Somebody has to pay for this, but the real risk is that there would not be as many events in the UK to buy tickets for.

Mr Brendon Batson: I think the impact will be minimal, again because what drives clubs at the top end are broadcasting revenues. Football clubs are small businesses in relative terms but with a huge spotlight. Revenue is what drives them. On the balance sheet, the gate receipts are minimal now, very small. It is about the TV revenues and the commercial revenues. For instance, returning to the Premier League, because it is the big bear in the room, overseas sales are enormous. Overseas sales are approaching £3 billion if what is reported is true, whereas before it was relatively small. I think the impact, in answer to your question, will be minimal in costs. Clubs might have to factor in additional budgets for the recruitment process, but they have already established recruitment teams in different territories, so the cost impact would be minimal. The big impact on football, with the increasing explosion in wages, was back in 1994-95 with the Bosman ruling. Wages have escalated, increasingly so, ever since that movement.

Mr James Allen: Outside the incredibly successful but incredibly exceptional example of the Premier League, the biggest impact potentially of merging those two systems for the majority of our members and their participants is simply that the queue gets longer and the system gets more complex. If the consequence of merging the two potential systems is that additional resource is put in as well, which I am not sure is very likely, and there is a quicker, simpler and clearer process for getting in and out of the country, that is fine. Our biggest worry is an additional layer of bureaucracy and confusion. We do not always experience an incredibly helpful reception from, for example, the Home Office when sports organisations ask what the rules actually mean.

Angus is absolutely right; there is a real-world consequence that every additional pound that is spent on visas, legal advice or a campaign to soften requirements around visas, or wherever that money is spent where it is not spent at the moment, comes out of sport delivery. It is money that does not go into schools, grass-roots clubs and facilities development. All the national governing bodies for sport are not-for-profit organisations and they all reinvest surpluses, which at the top end are considerable, back into the sport. Although on one level, a relatively small cost can be absorbed by a large organisation, there is still an opportunity cost, because it means that it cannot spend that pound somewhere else. We want organisations spending that pound on getting people playing sport, getting people active and feeling the benefits of that, not on having to comply with new requirements.

Q16 Lord O'Neill of Clackmannan: In part, this question has been answered, but maybe we can take it a bit further. A more restrictive immigration system will involve greater costs in bringing workers and players to the UK. Will this come at the expense of even higher costs for consumers in television charges or getting into the games? Mr Batson just said that turnstile revenues account for a relatively small part of the money that football clubs earn, but the most successful clubs charge the highest fees and are quite happy to do so, although it does not seem to make a great deal of difference to their accountability—their financial success. That means that families have great difficulty in going to football matches now, at the upper end, at the elite levels.

Are we paying too much attention to the posh clubs, and insufficient attention to the clubs at the lower levels that have lower gates, lower attendance fees and do not benefit a great deal from the trickle-down effect of TV? Will Brexit make much difference to that?

Mr Brendon Batson: The answer is that I do not know, but there is a trickle-down effect. It is less, because the bigger clubs want a bigger slice of the pie. There is no question about that. In the lower divisions, clubs have to be much more creative in how they balance their business as regards recruitment and getting a competitive team out on the pitch so that they can get to the next level. There is a distinct difference in the solidarity payments that go from the Premier League to the English Football League, and that trickle-down effect gets smaller as you get down to League Two. There is no question about that.

There is a big debate about whether some of the broadcasting revenues should be ring-fenced to help reduce the cost of tickets. As you know, there is a voting structure in all clubs on what is agreed and on the rules and regulations they implement. At the top end, they are literally selling out on a weekly basis, so there is a supply and demand issue. As a result, they can adjust their costs accordingly. Traditionally, Manchester United was one of the cheapest of the top six because its gates are 78,000, but its commercial revenues outstrip the others. Clubs are always competing, not just against their domestic rivals but their European rivals. That drives a certain amount of commercial thinking when it comes to setting ticket prices. I am not sure whether the Football Supporters' Federation has an annual debate about whether they can get the Premier League to help in reducing ticket prices, but I am afraid it is up to the clubs to decide on an individual basis.

Lord O'Neill of Clackmannan: The prawn cocktail brigade has been disparaged for taking up seats that you might say the punter would benefit from.

Mr Brendon Batson: The gentrification of football has been on the march for a number of years. We all have stories about when we started watching football on the terraces. We know the costs at the top end can be prohibitive, but the signs say "Full" every week at the top end, and that drives the decision-making. Within clubs there is always a debate between the commercial department and the management team. We

want to get more supporters in, but at the top end they do not need to do that.

- Q17 **Lord Ricketts:** We have talked so far mainly about immigration issues, people coming to the UK for a job for a certain time or British people leaving for work overseas. I want to put the spotlight for a moment on short-term travel, which you touched on; that is the travel by teams on tours or by individuals for competitions, the seasonal workers you referred to for skiing and the short-term workers required for big events. If you had your way, what would be the ideal arrangement after Brexit to maintain as fluid as possible a movement of short-term sports professionals to and from the UK?

Mr Angus Bujalski: Speaking for rugby, given the number and frequency of international teams or club teams going to international tournaments, there should be some sort of visa-free basis for travel or multiple-entry visas at low cost, almost the ESTA-type system in the States where you pay £10 to go in and out for a couple of years.

As James said, a lot of this is not necessarily about the money, although that is important, but the administration of the scheme. Whether they are UK nationals or foreign nationals based in England, the ability to come in and out of Europe for competitions will be absolutely critical. When, for example, we have to send our teams, either club teams or international teams, to places such as Russia or places in Africa with very difficult visa regimes, it is complicated, expensive and it pulls resource, not just from a financial perspective but a management perspective, away from what we really should be doing. Ultimately, we need something that is easy, straightforward and as cheap as possible, again to take James's point.

On one level, rugby and football are not terribly poor sports; a few thousand pounds to do this is money we will not spend in the community, but it is payable. If it is one of the sports for the disabled, particularly with no real income, a few thousand pounds here and there make an absolutely crucial difference, particularly for para-sports that are not funded. That is certainly so for the teams, but also for the fans—the Chelsea fans who will do the return leg for the Barcelona game or the England fans who will go to France at the weekend. My ideal world would have some very simple, visa-free way of travel for sports teams and sports fans.

Lord Ricketts: Presumably that is similar for individual competitors as well.

Mr Angus Bujalski: Absolutely.

Mr Brendon Batson: I agree with what Angus said. We need something that is not bureaucratic, not too time-consuming and is easy, because at the lower end some sports are run literally by one man and a dog, and that can be restrictive and time-consuming for those individuals. We have members of our association in darts and snooker. There are big leagues in China for snooker players, and darts is now popular. It needs to be as

easily fluid as possible without too many restrictions. There is a cost implication as well. When football teams travel, there may be a squad of 22 or 24, but the number of backroom staff who go with them is enormous. The logistics around that are quite daunting at times, so anything that slowed it down would not be welcomed.

Lord Ricketts: Presumably, viewed from the other side, if sport had to fall back on the same arrangements that apply for non-EU now, if there was no new deal, it would create the same problems for you, particularly the smaller or less wealthy teams.

Mr James Allen: Yes. Realistically, outside the top sports, the medium and smaller-sized sports simply will not go. They will not be able to take on the cost. There is also a confidence issue; the system is already complex and frankly quite frightening for some people to navigate when they are not expert and not confident. If that gets worse, it will simply prevent travel happening at all.

I have a particular comment on seasonal workers. I understand that the Government are looking at provision for seasonal worker permits in agriculture. It would seem to me, from a non-expert perspective, that in sports that are by their nature seasonal—I mentioned sailing and snow sports as examples—something akin to that, which allows relatively easy movement in and out for those people, would be very helpful, with a big emphasis on something that is clear and easy to understand. I do not think anyone here is asking for special treatment, but a system that is comprehensible out there in the real world is the big priority.

The Chairman: Thank you. Lord Crisp has the question you have been waiting for.

Mr Angus Bujalski: You are moving on to Kolpak.

Q18 **Lord Crisp:** I think you may have explained Kolpak to us already. If you want to add anything to your explanation of Kolpak, please do, but my question is about the impact if it disappears, if it is no longer there. Where do you think the impact will be in the various areas?

Mr Angus Bujalski: From a rugby perspective, this is one element that will probably be more on the playing side than the support side—the fans or other workers. One of your written questions was whether it would lead to more focus on development of UK-based players. In rugby, as I said, we at the RFU invest heavily, and heavily incentivise our clubs to develop and to play England-qualified players. I do not quite know how the Welsh and Scottish system works.

A lot of the groundwork is already there, so I do not think there will necessarily be a sea change such that, if Kolpak goes, then great, this whole new system of development comes up; but naturally, if there is less ability to bring in or to play Kolpak players, it stands to reason that there is more opportunity for English players to be playing. Whether there will be as much money to sponsor development is a question, but it stands to reason that there would be more opportunities to play if, for the

sake of argument, we maintained the restriction on two foreign players and Fijians, Samoans, Tongans and South Africans had to be classed as foreign. They are not at the moment. It seems absolutely logical that there would be more opportunities for English players in match-day squads. That is how I see it playing. I do not think there would be huge amounts of more investment, but there would be more opportunity.

Lord Crisp: What about in areas other than rugby, or is it the same sort of picture?

Mr Brendon Batson: As far as I am aware, Kolpak has not really had an impact on football. The two sports where it seems to have had an impact are rugby and cricket, as Angus mentioned. For football, it has not really had an impact because Bosman changed the landscape.

Lord Crisp: I am finding it slightly difficult to understand how big the impact of all of this is actually going to be. Part of that is because the devil is in the detail; it is about grooms in horseracing, or whatever. Could you give us a sense of how your sector has been preparing for that? Are people preparing contingency plans for Kolpak or other things disappearing, or are they just waiting to see what happens?

Mr Angus Bujalski: From the professional clubs' perspective, although I cannot speak for them as I have not had those conversations with them, I get the impression that it is "Wait and see what happens". Because there is so much uncertainty, it is very difficult to plan for what you do not quite know, such as how transitional provisions might work out. I get the impression that there are not a lot of contingency plans in the professional clubs. It is a question of waiting to see what things look like and deciding from there.

The Chairman: Do you have a sense of what you would like the Government to do or say in order to make life easier for you?

Mr Angus Bujalski: The sooner we know about any transitional provision, or if we cannot have a definite view of what it will look like, a timescale for when decisions will be made and what transitional provisions might look like, the better. Ultimately, it is about certainty to allow clubs to plan a lot more. Rugby works differently from football in that we do not have long-term deals. Most players will be on a one, two or three-year deal, so it is all more easily manageable, but just having some certainty on timescales is absolutely what clubs want.

Lord Watts: Is there any attempt by government to discuss with the sports bodies what possibilities could be introduced? Is there a dialogue going on at the moment?

Mr Angus Bujalski: I think there is. I am probably not close enough, so I would defer to my public affairs colleagues. We have constant dialogue with DCMS and others on this. My impression is that that level of detail does not exist, so it is quite hard to have dialogue about what certainty might look like if the thinking is not yet done.

Lord Watts: On that point, I take it that you are not unaware, so could you write to us about that? Could you find out from your colleagues whether that dialogue has taken place? It is fairly important that a dialogue has started, and whether people think it is working well or not.

Mr James Allen: There is dialogue. We have had conversations with DCMS on a pan-sector basis. They are fairly similar to this morning's conversation, where we all feel that it is serious, and that there is a potential impact, but without a degree of certainty at the macro policy level about which direction of travel the Government are pursuing, it is difficult to be more specific.

The other area where we are underresourced is our data. We are all telling you that we do not necessarily know exactly how many EU nationals we employ because, beyond establishing the right to work, generally we do not ask them. Most employers do not. It could well be that the impact is somewhat bigger than we think. There is dialogue, and it is fair to say that at DCMS they are taking this very seriously and have been helpful, but they are in the same position as us of not quite knowing what is going to happen.

The Chairman: Are you finding that your EU members, or your non-EU members, are asking you questions? Is uncertainty among your membership as to what is going to happen reflected in the sort of questions that are put to you?

Mr Brendon Batson: We do not have that. We get feedback through our meetings with members. I do not think there is much concern. The general feeling about what is going to happen is that, when we know for certain what the outcome is going to be, we will look at it. There are two things: a real desire for things not to be too disruptive for that movement; and the feeling that it would be mad to try to mend something that is not particularly badly broken.

Rather than the discussions that there is no doubt the Premier League, the FA and the governing bodies are having, I would like encouragement for discussion between the stakeholders to come to some sort of loose agreement that they can present to government and say, "Look, as a sector, this is what we want", because there are different priorities for the governing body in football and the clubs. It always has been so. We have a different system, to the detriment of the national team, from what we see in Spain, Germany and some of the other major European countries. It is a totally different system, which, as I say, has an impact on our national side. If the Government could put a loose arm around the stakeholders and say, "Can you come to some sort of arrangement that we can then look at and tell you what we think?", it might be the best way forward. That would be great.

Baroness Massey of Darwen: You have answered the question about the Kolpak rule influences and you talked about the greater focus on the development of home-grown players. It seems to me that we are talking about the high end of sport. We do not have time, and it is not on the

agenda, but I would love to have a discussion about what we mean by the development of UK players, because it is not just about the top level—it is about grass roots and the influence of families and schools. I do not need an answer, but I just wanted to comment on something that I think is part of sport.

Mr Angus Bujalski: It is hugely important. You are absolutely right; we cannot lose sight of the fact that sport is much bigger than a few divisions, or a few professional athletes. I am not for a second saying that is not important, because of course it is, but on the broader perspective of sport I could not agree with you more.

Q19 **Baroness Pinnock:** This has been fascinating and has opened my eyes to consequences that I had never even considered. You have talked about the impact on fans being able to shift around the place, getting support staff in and being able to sustain venues. Football seems to be an exception to a lot of this, from what you said, Mr Batson, but maybe I got that wrong. Is there anything else you would like to draw to our attention, particularly as regards the movement of people? Is there anything you want to emphasise? Otherwise, you have probably answered most of the questions.

Mr Brendon Batson: One of the things I touched on very briefly is that in reciprocal arrangements we should seek to maintain that everybody is treated equally. Although we do not export our players much, particularly in football, there are coaches and other people looking to improve their individual situation. While we are talking about domestic things, we should not lose sight of the fact that there are another 27 out there who may be talking totally differently from us. It is very important that reciprocal arrangements are aired, to make people feel comfortable about the way things are moving, as opposed to being in isolation. We can talk about things here, but it is important from the other side as well.

Baroness Pinnock: Thank you.

Mr Angus Bujalski: To echo what I said a few moments ago, thinking about sport in a very holistic sense is important rather than focusing purely on the elite end, because that is very different, and football particularly is very different. Even in other sports such as cricket, rugby union and rugby league, at the top end it is very different. We need to think about what enables sport to happen—the people who work at the stadiums and at the major events, the whole circuit of people who work on the Olympics and the World Cup who will have gone to Japan for the Olympics and to Rio and back, and enabling them to come, as well as the more casual workers. We cannot lose sight of the fans either, because without the people who make sport work and the people who watch sport we do not really have a sport.

The Chairman: Mr Allen, you said earlier, right at the beginning, talking about racing, that there were 1,000 vacancies out of about 11,000 people, although I may have got the figures wrong.

Mr James Allen: There are 7,000 grooms, and 11% of people currently employed in those roles are EU nationals.

The Chairman: That is quite a tricky position to be in, I would have thought, with a high proportion of vacancies anyway. Does Brexit impinge on your or the racing industry's thinking about how it is going to cope with that?

Mr James Allen: It probably does. There is a significant shortage anyway, and of the people currently employed, a significant number, over 10%, are EU nationals. The industry very helpfully quantified the scale of some of that for the Migration Advisory Committee. The industry in the UK is worth around £3.5 billion. There are 14,000 horses being trained in the UK at the moment. If we took 20 of those horses out of the system, there would be a cost of around £1 million to the economy, which, as you know, impacts particularly strongly on rural areas, where the consequences of Brexit are likely to be felt more strongly. A reduction of 20 horses is £1 million. There are 14,000 of them. With a high level of dependency and a staff shortage, you can see that all those things together, multiplied across other sectors and other parts of sport, could potentially have a huge impact.

The Chairman: That is very helpful. Thank you all very much indeed. I am afraid this has been rather a lengthy session, but we have got an enormous amount out of it and, certainly speaking for myself, we are hugely better informed than we were when we started. We are very grateful to you all for sparing the time to talk to us today. Thank you very much indeed. I bring the formal session of the meeting to a close.