

Minutes of the Sport Wales Board meeting held on Thursday 18 June 2020 (by video conference)

Present: Lawrence Conway (Chair), Pippa Britton (Vice Chair), Ashok Ahir (Items 5.3 to 11), Ian Bancroft, Dafydd Trystan Davies, Delyth Evans, Nicola Mead-Batten, Hannah Murphy, Judi Rhys, Professor Leigh Robinson, Phil Tilley, Alison Thorne, Martin Veale

Staff Attendance: Brian Davies (Acting CEO), Sarah Powell, Paul Randle (PR), Graham Williams (GW), Liam Hull (LH), Owen Hathway (OH), Tom Overton (Item 5.3), James Owens (Item 5.6), Susie Osborne (Item 5.6), Amanda Thompson (minutes)

Observers: Steffan Roberts & Paul Kindred (Culture & Sport, Welsh Government)

1. Welcome/apologies for absence

The Chair welcomed all to the meeting. Apologies for absence were received from Eleri McLennan (Young Ambassador representative) and Rajma Begum.

The Chair formally thanked Malcolm Zapple, Tom Overton and Simon Napper for their many years of dedicated service to Sport Wales. He also gave the Board's thanks and appreciation to Brian Davies in his role as Acting CEO. Sarah Powell would return to her post as CEO on 29 June.

2. Declarations of Interest

IB and LR for paper SW(20)26 Community Sport & Activity Programme (CSAP) update.

3. Minutes, Action Log, Decision Tracker and Matters Arising

The minutes of the meeting of 21 April 2020 were accepted as a true and accurate record.

The content of the action log and decision tracker were noted. In reference to Item 4.2 Zendesk was now used to facilitate communications with partners smoothly across all channels.

4. Chair & Executive report

Board Members noted the report and the CEO highlighted the following:

- **Inequalities and discrimination**

The CEO spoke to Senedd Cymru's Culture, Welsh Language & Communications Committee on 11 June. He emphasised concern over the widening of the inequalities gap, as highlighted by the ComRes survey, and the importance of physical activity to the health and wellbeing of the people of Wales.

The CEO reported on a major issue that had been at the forefront of the news recently, that of the Black Lives Matter campaign which highlighted the urgent need for reflection, debate and action in dealing with anti-racism and anti-discrimination. Board Members agreed to the Chair's proposal that a sub-group of the Board take on oversight of this future area of work. The current Partner Board Diversity group would be tasked with this duty with a change to its terms and conditions and its membership. The Staff Engagement Group would also look at this issue and assist with the development of an action plan.

The Chairs and CEOs of the Home Country Sports Councils (HCSC) would shortly discuss a joint response on institutional racism but this would not prevent Sport Wales addressing any situation that was specific to Wales and issuing its own statement.

The wider context of barriers to participation was being investigated by the Strategic Resilience Group. The Vice Chair asked that there be consideration of all people with protected characteristics and an acknowledgement of the inter-connection between inequalities.

ACTION: The Chair and Executive to draw up the terms of reference, membership and work plan for the Diversity group and action this in advance of the next Board meeting.

- **Be Active Wales**

This campaign, which was set up on a limited budget, had been created in collaboration with sports and other partners and had made available a range of educational resources free of charge to schools across Wales. The next phase of the campaign would link with the new Be Active Wales fund (the open application part of the Sport Resilience Fund) with targeted awareness raising in lower socio-economic areas.

In terms of analysing who had engaged with *#BeActiveWales* further work would be undertaken to assess the overall impact of the campaign. The Youth Sport Trust and Young Ambassadors had engaged with it and spread the messaging widely on social media platforms. Members noted the success of the campaign to date and suggested that further work should be undertaken to target the most popular platforms and influencers.

- **Emergency Relief Fund (ERF)**

Members were informed that, to date, the ERF has provided £527,120 for 280 clubs in need of immediate financial support. Once the evaluation has been completed this would be shared with Board Members. It was also noted that the ERF was due to close shortly and would merge into the Be Active Wales fund.

ACTION: OH to make the ERF analytics available to the Board once available.

- **Budget**

The CEO thanked the Welsh Government's officials for not subjecting Sport Wales to an in-year budget cut and for discussing the request for a pension guarantee. It had not been possible yet to draw down any capital funding, but it was suspected this was down to timing issues rather than any change to the funding agreement. The re-opening of sports premises temporarily used by the NHS would be dealt with by the Return to Sport group handling facilities-related matters with the Welsh Government.

Paper Ref: SW(20)21

5. Recovery Planning

5.1 Return to Sport

The CEO thanked the Welsh Sports Association (WSA) for their contribution to setting up the four Return to Sport groups.

Concern was expressed that the groups did not include adequate representation from the commercial sports sector. The CEO was confident that the groups did have such links but agreed to look at this further. Expanding the group sizes further may cause difficulties but as time progressed and circumstances changed, there may be scope to modify group membership.

ACTION: CEO to report back on the inclusion/representation of the commercial sports sector.

A point was raised about engaging with Public Health Wales (PHW) as NGBs and sports facilities providers were likely to face challenges in fulfilling the Covid-19 related health and safety guidance for re-opening which could cause a barrier to participation. Signposting to UKAD regarding changes in the way athletes may now be tested should be considered.

Paper Ref: SW(20)22

5.2 Business Plan Q1 report

This report updated the Board on the previous quarter's activity and the changed business plan priorities that had emerged as a result of the Covid-19 pandemic.

The primary areas of work were:

- Implementation of the new resourcing model with all partners
- Implementation of Sport North Wales as the first 'Sport Partnership' in Wales
- The strategic review of the role and purpose of the two National Centres
- Development of the culture of the organisation
- Scoping out an approach to digital transformation to maximise the benefit of technology

The following three priorities would be the focus over the next quarter and progress would be reported to the Board in September. This work was considered as the most important to address critical pressure points and sequencing and to enable other key pieces of work to follow.

- **Sport Resilience Fund (SRF)** – Partner engagement sessions would take place throughout June and the Be Active Wales fund would launch in early July.
- **Understanding the impact of Covid-19** – continued focus on understanding the impact of Covid-19 on the sport sector. This would encompass further analysis of population level behaviour following the ComRes polling in May, evaluation of the economic impact and collaborative research on social value.
- **Return to sport** – The work of the Return to Sport groups would continue to develop guidance and recommendations for the Welsh Government ahead of its next review. Beyond that, the groups would monitor the impact of any changes, consult on a sector wide approach, seek understanding of UK wide and beyond evidence as well as prepare for the specific challenges of reintegration of community and performance sporting opportunities.

Points from further discussion:

- All conversations to do with financial support started with a synopsis of what the organisation had done themselves to generate income before approaching public funding.
- The organisations that had been best at diversifying their revenues had been the ones most exposed by the ramifications of Covid-19 and would struggle more this financial year.
- It was imperative that sports organisations worked collaboratively with joint messaging.

Paper Ref: SW(20)23

5.3 Strategic Resilience Group update

This paper outlined the findings and recommendations of the Strategy Resilience Group (SRG). Two reports had been recently commissioned:

- **Sense Maker** – a contract originally earmarked for the Free Swimming Initiative but repurposed to evaluate the community impact and innovation and club level.
- **Sheffield Hallam University** (Sport Industry Research Centre) – economic impact report conducted in two stages. The first report had been received and the next stage would be an in-depth economic modelling over the coming months.

The initial ComRes survey of public opinion gave an overview of the impact on public physical activity behaviours. A key finding showed that a significant impact on people's activity levels had occurred with those from the lower socio-economic groups and children most negatively affected. This finding was also evident in the partner feedback sought as part of the SRF engagement work.

Alongside reviewing the uptake of the Emergency Relief Fund (ERF) as an early indication of demand, stage one of the economic impact report had also highlighted the initial financial challenges facing Wales as a result of the impact of Covid-19 on sport.

SRG had explored and challenged the new Sport Wales strategy and concluded that it remained relevant to the organisation's approach. The agility built into the strategy was allowing the organisation to repurpose its finances, staffing and focus. Both the Leadership team and SRG concluded that the strategic intents were relevant and more important than ever, providing the strong context by which to prioritise business plan approaches in future.

The SRG would continue to review the impact of Covid-19 and would report back to Board in September 2020.

The following four recommendations were made and approved by the Board:

- that the Executive consider which areas to prioritise in order to create capacity and to review the staffing and skills implications against those priorities (already actioned as detailed in paper SW(20)23).
- that targeting support for participation towards young people, those from lower socio-economic backgrounds, those with a disability or impairment and those from BAME communities, should be a central consideration for Sport Wales across all future work programmes and investments.
- that Sport Wales collates, develops and utilises its evidence base to advocate for sports role in delivery across multiple policy areas, including exploring sport as a policy tool within health and education programmes and how to maximise the return on public investment with commercial and third sector partnerships.
- that further evidence gathering should be pursued through internal and external approaches and reported back to the Executive and Board as a way of ensuring the first three recommendations remained firmly underpinned by up to date intelligence.

Paper Ref: SW(20)24

5.4 Sport Wales National Facilities Review

This paper updated the Board on the recent work undertaken by the Facilities Review Group (FRG) in assessing the future of the two National Centres. FRG had continued its work to better understand what a phased reopening may look like and had worked with the Executive to support the development of the business continuity operational plan and consider the impact of Covid-19 on future developments. The procurement of consultancy services to support the design and selection of a preferred management partner for Plas Menai was paused.

The report detailed the situation for both National Centres since the lockdown began in March and the impact on revenue. It had proved possible to continue with grounds maintenance, preventative equipment maintenance and the completion of existing capital projects. The need to replace the boilers/heating system and pool plant at Plas Menai remained an urgent priority.

The report included an in-depth look at the financial income for 2019/20 and projections over the following three years. It had become clear that a quick return to normality was unlikely and there was risk of the impact of Covid-19 extending across multiple years and risk of further setbacks, particularly during the winter months when respiratory infections were more common. It was decided to select one of the previous financial scenario models as the most likely outcome and extrapolate its impact over three financial periods. This model assumed external revenues at both National Centres commenced in October and gradually increased to 60% of normal by the end of the current financial year, then during 2021/22 the revenues increased from 60% to 80% (average for the year was 77%) and finally in 2022/23 normal revenue levels were once again achieved.

Recent developments to note:

- The opportunity arose for publicly funded bodies to apply to the job retention scheme to address losses associated with commercial revenues. Sport Wales applied for c£180k to cover losses from March to 30 June. UK Treasury would introduce a modified scheme from 1 July.
- FRG had authorised a professional appraisal of suitable options to replace the heating system at Plas Menai. Previous estimates were c£600k and would require closure of the site for around 12 weeks. This would depend on sourcing assistance towards the cost.
- Plas Menai was under consideration for alternative use as a social care hub for Gwynedd Council. For further discussion once a decision was known because it would limit the capacity to return to normal operation and impact on customer retention and revenues.

Members noted the report. FRG would continue to meet regularly and would report back to the Board at its next meeting in September.

Paper Ref: SW(20)25

5.5 Community Sport & Activity Programme (CSAP)

The CSAP Project Board met on 1 June to review the significant work undertaken to reschedule the planned work which included a short-term timetable to restart partner engagement and details on potential opportunities to accelerate the development of the other Sports Partnerships. After reviewing the preferences of the partners who had submitted expressions of interest, the geographical footprint was finalised. The Board was asked to approve the establishment of an additional four Sports Partnerships as follows:

- **Gwent** (Blaenau Gwent, Caerphilly, Monmouthshire, Newport, Torfaen)
- **Central South** (Bridgend, Cardiff, Merthyr, RCT, Vale of Glamorgan)
- **Swansea Bay*** (Pembrokeshire, Carmarthenshire, Swansea, Neath Port Talbot)
- **Mid Wales** (Ceredigion & Powys)

The*Swansea Bay Partnership would be renamed so that it better reflected all stakeholders. Further engagement would take place with Powys Council to ensure they would be an active member of the Mid Wales partnership. An official from Welsh Government's Culture & Sport team was present at the meeting and confirmed their support for the four areas. **The recommendation was approved by the Board.**

Reviewed timetable (subject to partners' ability to engage):

- Submission of SNW business case - October 2020

- Rest of Wales: ongoing engagement with partners, refine specification documents and go to the outline solutions stage – July to October 2020
- Opportunities to accelerate CSAP – potentially from October 2020 onwards

Sport North Wales (SNW) was progressing three key areas of work:

- the agreement of a local authority 'hosted' legal framework within which SNW would operate (most likely to be Conwy Council who were currently reviewing the job description for a project-specific Executive Senior Leader role).
- ongoing collaboration to further develop the SNW strategic framework and operational plans.
- the preparation of the business case submission to Sport Wales.

Once the outline solutions stage was completed, there should be the potential to accelerate the creation of the four partnerships. This was likely to include Sport Wales helping to build capacity within partner organisations through the provision of dedicated support services and funding to appoint Lead Officers. The next update would be given to the Board at its meeting in September.

Paper Ref: SW(20)26

5.6 Investment Model update

This paper updated the Board on progress made on the Investment model and made recommendations for the transition to full implementation.

Discussions with high funded partners had taken place and a guide with FAQs and Q&A circulated to all funded organisations. A detailed Investment model section had been added to the website.

The model had been discussed with Welsh Government officials and no major concerns were raised. They would be kept fully informed of its implementation and impact. Legal checks had also been carried out and it was felt that risks had been properly mitigated.

Additional support had been given to staff and high funded partners to help them fully understand the accountability element of the model. Accountability discussions would take place with all the high funded NGBs linked to the SRF Partnership Agreement (Extension) process.

All partners receiving funding in 2020/21 had met the essential requirements. Partners continued to be supported where necessary to develop their governance improvement plans to help them meet the minimum requirements within the capability framework. Targeted capability reviews began in November 2019 and would continue to take place throughout the current financial year. Each partner would have an independent review at least once in a four-year cycle.

In order to progress to the second stage of the implementation schedule the following needed consideration:

Implementing the School Sport Survey (SSS): the SSS formed the basis for 22 NGB investment decisions so how and when it was carried out was essential to the Investment model's success. Scenario planning suggests that sport participation rates would be severely impacted by Covid-19; schools would be operating on a reduced timetable with adjusted priorities which would impact the ability to collect data. The preferred option was to continue planning for the survey to be conducted in April 2021 but if that was not possible it would be rescheduled to April 2022.

When to implement the financial aspect of the model for 22 NGBs: the original plan was to start the transition in 2021-22, however given the challenges presented by Covid-19, the following options had been considered in detail:

- Preferred Option: Implement the financial aspect of the model as originally agreed in April 2021-22 with a transition for through to 2026 as a maximum. This could potentially result in

some data from the 2015 Survey being used for two years through to 2023 (an additional 12 months than originally planned).

- o Alternative Option: Delay the implementation of the financial aspect of the model until 2022-23, with the same end point.

Adequate time would be given to partners to prepare for the changes and following discussions with Welsh Government, key partners and preparation of a communications plan, officers would determine the best time to discuss funding with partners giving them as much time as possible to prepare for any changes.

Members were confident that the results from the previous SSS continued to be robust enough to use and there would be other survey information to put alongside it plus contextual information collected by the sports themselves.

The Board approved the following recommendations:

- a) For local authorities – continue to implement the Investment model in line with the development of CSAP’s Sport Partnerships.
- b) Work with partners who would receive investment via an application process, so it could be fully implemented by April 2021.
- c) Continue to plan to carry out the SSS in April 2021 as originally intended, whilst developing a contingency plan to hold it in April 2022. The final decision to be agreed by Board at its September 2020 meeting.
- d) For partners who were due to receive investment via a data/insight driven approach, the preferred option should be taken. Implement the financial aspect of the model as originally agreed in April 2021-22 with a transition through to 2026 as a maximum timeline.

Paper Ref: SW(20)27

6. Young Ambassador Steering Group (YASG)

The Chair thanked Eleri McLennan for her contribution over the past year and for her work during the lockdown to promote challenges and games online to encourage people to stay active.

The National YASG meeting was held online on 18 May and members spoke about how they were keeping active and motivated whilst staying at home. They had helped to promote Youth Sport Trust (YST)’s resources that were now free online and campaigns such as like Volunteers Week, Coaches Week and National School Sport Week. YASG was concerned that young people’s confidence to participate in sport, coaching and volunteering and overall self-belief in their abilities may have dropped during this time. YASG were introduced to the Sport Wales Female Athlete project and would help to widen the field of research.

Volunteers Week was celebrated during the first week of June and many positive stories were shared across social media platforms. The National School Sport Week at Home ran during the last week of June and for that YST joined with Sky Sports to run a campaign to demonstrate the power of sport to bring people together even during isolation.

The report concluded with a list of Covid-19 impact implications on events and training and what had been possible to progress online. YAs had been involved with setting challenges and sharing material online and had worked collaboratively with their local authorities, schools and colleges.

YASG thanked Sport Wales for supporting the Young Ambassador initiative over the past 10 years.

7. Finance, Risk & Assurance

7.1 2019/20 Year-End Report

This report provided a summary of the financial position of Sport Wales for the year ended 31 March 2020 which was noted by the Board. Despite the disruption caused by the Covid-19 pandemic Finance staff had managed to hand over the accounts for auditing on time. However, there would be a delay to Wales Audit Office's work by around 4-5 weeks.

The carry over of capital funds was used within the agreed time period. There was a £142k positive variance achieved by Plas Menai on the original projection, despite cancelled bookings at the very end of the financial year. The capital improvement works held up when the lockdown came into force had now been completed.

Paper Ref: SW(20)28

7.2 Budget 2020/21 update

This paper provided the Board with an update on initial estimates of the financial impacts of Covid-19 and identified steps taken to mitigate the loss of revenue due to closure of the National Centres. The most likely re-opening scenario had been used for the projections bearing in mind that industry sources supported the assumption that recovery would extend well into the next financial year.

The forecast showed the expected external revenue at 18% for 2020/21, 78% for 2021/22 and hopefully an eventual return to 100% in 2022/23. The forecast for operational costs (excluding grant in aid calculations) showed a cash shortfall of c£1.1m in 2020/21, falling to c£494k in 2021/22 and c£115m in 2022/23.

Moving forward, the financial forecasts for both National Centres would be revised on a regular basis to reflect improved assessment of customer capacities and demand as lockdown measures were eased, the cost mitigation activities including furlough and investments required to facilitate re-opening. This work would be done collaboratively with the Facilities Review Group.

Another £130k-£200k would be raised through the Job Retention scheme for the current financial year. It should also be noted the budget would be amended to reflect the Welsh Government's recently announced interim pay award of 2.5%. Members noted the report.

Paper Ref SW(20)29

8. Consent Agenda

8.1 Organisational Re-design

The new staffing structure had been made available to the Board. As it had not been possible to utilise further Invest to Save support, recruitment would be carried out on a staged basis to mitigate risks to the budget and in consideration of HR staffing capacity.

Paper Ref: SW(20)30

9. Groups & Standing Committees

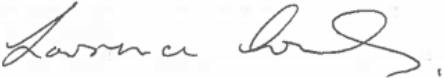
The minutes of all the Board's sub-groups were made available to Members and the content noted. The next Audit & Risk Assurance Committee had been postponed until 31 July 2020.

10. Any other business

There was brief discussion about the changing ways of working and need to look at 'where we are now' with regards to the digital platforms used and home working.

11. Date of next meeting

The next meeting would be held on 16 September.

Signed: 

Lawrence Conway CB, Chair

Date: 17 September 2020