

Minutes of the Sport Wales Board meeting held on Wednesday 16 September 2020 (by video conference)

Present: Lawrence Conway (Chair), Pippa Britton (Vice Chair), Ashok Ahir, Ian Bancroft (Items 1-5.3), Dafydd Trystan Davies, Delyth Evans, Nicola Mead-Batten, Hannah Murphy, Judi Rhys (Items 1-7.5), 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), Jane Foulkes (Item), Emma Henwood, 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 Rajma Begum.

2. Declaration of interests

- Ian Bancroft with regards to 9.3 Community Sport & Activity Programme, in his capacity as CEO of Wrexham CBC, a Sport North Wales partner.
- Brian Davies with regards to the Chair & Executive report, Welsh Gymnastics.
- With regards to 5.7 UKAD Anti-Doping update ref: SW(29)37, the Vice Chair in her capacity as a Board member of UKAD and Nicola Mead-Batten in her capacity as an advisor to UKAD.

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

Corrections to the minutes were required for:

- Item 4 Chair & Executive report's update with regards to the budget. To read that 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 pensions guarantee.
- Item 5.4 Sport Wales National Facilities Review, to state that Sport Wales applied for c£180k to cover losses from March to 30 June.

With these changes made, the minutes were accepted as a true and accurate record.

Matters arising:

- Item 4 with regards to the Crown Guarantee. PK was following up on this matter.
- Item 5 Return to Sport groups: BD confirmed that representatives from the commercial sports sector had been invited to join these groups. This included UK Active, CIMSPA and other private sector bodies including fitness consultants.

4. Chair & Executive Report – SW(20)31

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

- The Chair had been formally invited to join the Board of UK Sport and would attend the next meeting on 22 September 2020.
- **Gender Identification:** Discussion was held with Welsh Rugby Union (WRU) on the World Rugby's review of policies relating to transgender players. The Joint HCSCs' Equalities group was reviewing their position. It was noted that this was an extremely complex issue and that research and understanding was developing in this area. Sport Wales would be working with relevant agencies and bodies to better understand the issues. Sport bodies and international federations were independent bodies and would ultimately decide on the rules i.e. IOC. Sport

Wales was committed to ensuring sport was inclusive but also recognised there were factors such as the health and safety of athletes that should also be considered.

- **Equalities/Black Lives Matter:** a joint approach would be taken by all HCSCs and UK Sport and this would be based on a 'whole sport' approach. Two areas would be prioritised in the first instance – data gathering and listening to the experiences of those affected by racism.
- **Return to sport:** More sports activities had been able to re-start. The Institute was looking into how elite training may be able to continue should lockdown measures be enforced over the autumn and winter. The widening inequalities gap was briefly discussed. It was noted that the proportion of participants with protected characteristics within sport was higher than the proportion within the general population figures, so there was need for a more targeted approach to those individuals.
- **Digitalisation in sport:** A paper would be brought to the Board in November laying out recommendations for asking for the scope of work, level of ambition and available resources.
- **Staff Learning Week 14-18 September:** numerous online sessions for staff were being held during the week and the level of engagement had been positive.
- **Public Accounts Committee Round Table:** To be held on 12 October; Sport Wales would have the opportunity to showcase its alignment to the Future Generations Act and the importance of physical activity. The CEO would also address the Auditor General's seminar.
- **Physical activity in schools:** Guidance and resources had been put together collaboratively by Sport Wales and Public Health Wales and forwarded to Education officials. Community School officials were receptive to schools receiving these. OH would follow up with the Education department.
- **Gymnastics:** British Gymnastics' review was UK wide and included all levels of the sport. Welsh Gymnastics was taking part fully in the review. Sport Wales would respond as part of its remit as a member of the UK High Performance Sport Group.

5. Strategy & Recovery Planning

5.1 Business plan 2020/21 Q2 report – SW(20)32

Activity over the past quarter had delivered upon the re-focused priorities agreed by the Board at the last meeting:

- Return to Sport – adapting Community and Elite level sport as restrictions change
- Financial support – the Emergency Relief Fund, transitioning to the Sport Resilience Fund (SRF) which included the open-access Be Active Wales fund (BAWF)
- Business Continuity and returning to the National Centres
- Understanding the Impact of Covid19 on sport in Wales
- Keeping connected - engaging with partners and staff in order to deliver the Sport Wales strategy.

More would be done to improve recording impact assessments. The key focus was the return of sport which had to adapt to ever-changing circumstances. The learning from the SRF was continuously informing Sport Wales of how sports organisations were adapting to new situations. There was an expectation of an increasing number of applications from grassroots sports operators. Guidance was given to the less experienced who found the application process challenging.

5.2 Sport Recovery package

BD updated that Deputy Minister for Culture Sport & Tourism would shortly announce a sports recovery package to the value of £14m. This was in addition to the Local Authority Hardship Fund (which included sport and leisure). Sport Wales thanked the support of TWG and partners such as WSA and UK Active. Sport Wales were delighted to have secured this assistance for the sector and would be responsible for its distribution. The Major Events* division would administer its specific proportion. Private sector operators and freelance practitioners would also be eligible to apply. The key messaging for the fund would be 'protect, prepare, thrive', with the main aim of helping sport to build back better and be more resilient. The fund would run until next March and a varying approach would be applied to reflect applicants' stages of development, recovery and position. A separate bid for additional recovery support for Sport Wales had also been submitted and would be considered alongside the other WGSBs.

5.3 Business Plan 2020/21 Priorities – SW(20)33

This report looked at the new priority areas in more depth.

Enabling Sport Wales to thrive: the priority was to build the internal culture of the organisation following the recent redesign and to make sure home workers felt connected and staff welfare considered. The staged return of staff to both National Centres was also part of this area of work.

Back to sport (encapsulating SRF and BAWF): Returning to activity was dominating partners' work and was likely to remain so for the foreseeable future. The new investment streams were more demanding on Sport Wales' capacity than the previous traditional format and needed a cross-directorate approach. Return to sport also encompassed partner support, communications, insight programme CLIP, continued research, Institute services, partner accountability and advocacy.

Investment Model: It would be most demanding on staff capacity during the first quarters of the year and as that reduced, the engagement work for CSAP would increase.

Areas of work that would temporarily stop or slow down:

- Welsh Physical Activity Partnership: No planned engagement was expected until Jan 2021 at the earliest. This included collaboration to support professional development/delivery of the new curriculum. The Healthy & Active Fund would continue.
- Active Nation Fund – no planned activity until full review of BAWF.
- 60 Plus Active Leisure Offer – revised timetable to be introduced from January 2021 (some planning required late 2020 but needed to be light touch plus communications commitment)
- Free Swimming Evaluation – evaluation and insight input reduced to managing UKRCS input/data tool revisions.
- Wales Sports Awards - postponement in 2020
- Facility Review – assessment of SWNC to be temporarily postponed.
- Staff recruitment – on staged basis only
- Implementation of new finance system to be postponed until 2021
- Review of Executive function to be postponed.

The public affairs & advocacy plan and the sport intelligence hub were both progressing in alignment to the above priorities. There would be regular review by the Leadership team who would be mindful of the increasing and decreasing capacity demands across each area.

ACTION: OH to add a timetable and rationale to the chart of areas of work that were temporarily postponed or slowing down.

Members approved the revised Business Plan.

5.4 Partner Investment Approach – SW(20)34

It was originally anticipated that transition to the new investment levels would start from 2020/21 but there was significant uncertainty around the potential levels of future funding in the wake of Covid19 and possibly also following the Welsh Government election in 2021. It was proposed that a phased approach to implementation be taken in order to help mitigate any negative impact of the funding changes. Sport Wales would support partners to protect themselves and prepare for changing circumstances whilst freezing any reductions in investment for two years. Investment decisions would only be considered for a two-year period with 2022/23 taken on an indicative basis.

It was proposed that:

- the School Sport Survey (SSS) be delayed until 2022 to allow for the full effects of Covid19 to be understood, including any longer-term changes to participation rates in sport.
- Partners due to receive an increase in their investment would have a phased increase through to re-assessment based on the new SSS findings in 2022. They would be offered support to ensure they could meet the necessary capability requirements.
- Partners due to receive less funding would have their funding maintained at their current level (2020/21). This freeze of funding would be capped to a maximum of two years. Support would be offered to these partners to help them prepare for a possible reduction in future levels of funding and support to explore ways to improve performance.
- Following the next set of SSS data in 2021, partners would have a maximum period of three years to fully transition into their new funding arrangement. This would give a maximum period of five years for partners to transition to the new investment levels.

Members were asked to note that an additional £500k would be needed for the next two years to meet this proposal.

There would be continued conversations with the Welsh Government, so they were kept fully aware of the shift in the investment approach and potential impact on the sector.

Sport Wales was also taking the opportunity to review its overall appeals process. The review would consider alignment with other HCSC appeals processes and the necessity for a wider complaints process linked with the Public Services Ombudsman for Wales.

Members approved the proposal but voiced their concern over having to find additional resources to meet the obligation. A further update would be given to the Board in due course.

5.5 Strategic Equalities Action Plan – SW(20)35

The report set out the proposed actions to achieve the joint equality objectives agreed by the Board in February. These actions would be set within the Sport Wales Strategic Equality Plan (SEP) which would be published online at the beginning of October. Two key areas of focus within the SEP were the formation of the Board's Diversity sub-group and the joint commitment being made by Sport Wales and the other HSCs to 'Race in Sport'.

The Board would receive regular updates on progress and changes to the Equality Action Plan throughout the four-year cycle. Sport Wales would also publish progress and an updated plan as part of its annual integrated Equality Duty/Wellbeing of Future Generations Act report.

Members approved the Strategic Equalities Action Plan.

5.6 Climate Change – SW(20)36

This report presented the case for hiring the Carbon Trust to assess the effectiveness of current measures and identify the steps required (including investment needs) to move towards a Carbon Neutral position by 2030. Initially this work would focus on the two National Centres. Future scoping may extend to the wider sports sector once agreed how best to address this. An employee forum would be introduced to ensure staff engagement. This proposal had been considered at formal Staff Council meetings attended by PCS Union representatives. It was proposed to divide the two into two phases with a review after the first phase before embarking on the second phase:

- Scope 1, 2, 3 Carbon Footprint analysis, £7.5k-£12k (possibly less due to the data already held on existing environmental management systems)
- Review of existing policy and strategy and previous actions taken, 10k-15k

It was anticipated that the Carbon Trust's report would include what actions Sport Wales could take to off-set its carbon footprint. Improvement of the heating system at Plas Menai remained a critical priority and the report from external consultants was due imminently.

Members approved the recommendation to hire the services of the Carbon Trust.

5.7 UKAD Anti-Doping policy – SW(20)37

This report updated the Board on UKAD's work on anti-doping in sport and sought agreement to their new policy. Sport Wales had been working on this with UKAD since July 2019 and had assisted with a pilot consultation on its assurance framework including a hosted event at SWNC in March. Sport Wales continued to support UKAD with its work on the Clean Games Policy review and its Education programmes which looked at talent athletes and a new parent resource.

The Executive were content with the implications for Sport Wales and its sports partners. The changes and responsibilities directly related to Sport Wales had not changed significantly and the tangible differences for Sport Wales were:

- The need to designate a trained member of staff as the lead on anti-doping matters.
- The need to designate a trained Board member to lead on anti-doping at Board level.
- The addition of the ability to provide urgent support services for currently supported individuals charged with an anti-doping violation. This had been requested because some science and medicine practitioners would be in danger of compromising their professional body requirements as well as having a potentially critical impact on an individual's well-being. There were limitations to this support and financial support was not permissible.

The changes relating to NGBs were more significant as detailed in appendix 3. The other main change was the reference within the Policy, most notably the British Olympic Association, British Paralympic Association and the UK Commonwealth Games Associations, who had all agreed to join the revised Policy and have their responsibilities formally set out.

Once UKAD received the necessary consents, DCMS would go through its approvals process with the devolved administrations and then the Policy would be formally launched. As compliance with the Policy was a condition of eligibility to receive public funding and services UKAD would continue to liaise with Sport Wales on the compliance status of funded NGBs. A better understanding of the timings of these actions should be possible once all HCSCs had approved the Policy.

Members approved the recommendation to sign up to the new Policy. Leigh Robinson was selected as the Board's lead. The member of staff to lead on anti-doping matters was to be confirmed.

5.8 British Padel recognition – SW(20)47

This paper asked the Board to support the UK Recognition Panel's recommendation to recognise Padel as a discipline of tennis and the Lawn Tennis Association (LTA) as its NGB. Sport England's Board approved the recommendation at their meeting on 6 May. There was a note to clarify how the sport catered for disabled Athletes and to ensure the sport was inclusive in its approach. Members approved the recommendation.

6. Young Ambassador Steering Group

There was no Young Ambassador Steering Group representative attending as there had been a delay to their selection process. Members noted the report and were impressed with the amount of work the Young Ambassadors had been able to do, despite difficult circumstances.

ACTION: GW/JO to encourage Youth Sport Trust and the YASG to progress the Youth Panel initiative.

7. Finance, Risk & Assurance

7.1 Statutory Accounts 2019/20 – SW(20)38

Three sets of audited accounts had been received by the Board

- the Sports Council for Wales and the Sports Council for Wales Trust (audited by Audit Wales)
- the Sports Council for Wales Lottery Distribution Account (audited by NAO)
- the Sports Council for Wales Trust (audited by Audit Wales)

The Board also received:

- Audit of Accounts Report and Management Letter from Audit Wales
- Sports Council for Wales Lottery Distribution Account Audit Completion Report 2019/20
Financial Statement from the National Audit Office

The audited accounts had been reviewed by the Audit & Risk Assurance Committee at their last meeting on 31 July and recommended for approval by the Board.

The McCloud narrative in the 'Events after the Reporting Period' has now been removed as the AON valuation was sufficient to recognise the McCloud liability. Audit Wales' technical team reviewed this and said that there was not a material difference between the adjustment that would be calculated under the proposed remedy and that originally provided by AON Hewitt. As a result, no accounting adjustment was required, and neither was the PBSE (non-adjusting disclosure) required re McCloud.

Additional wording regarding the valuation of buildings used in the pension valuation had been added under note 18 in both accounts due to the impact of Covid19. An Emphasis of Matter had been included in the Auditor's Certificate in both Consolidated and Lottery accounts to reflect this. This was not unique to Sport Wales but across all organisations with Local Authority pensions.

Members approved the three sets of audited accounts and acknowledged receipt of the ISO260s.

7.2 Finance Report Apr-Jul 2020 – SW(20)39

This report provided a summary of the financial position of Sport Wales for the period April to July 2020 based on draft internal management accounts and excluding adjustments for statutory reporting requirements.

Members noted the report.

7.3 Long-Term Overview 2020/2025 – SW(20)40

This report provided an update on the longer-term overview based on the current understanding of the impact of Covid19. For the current year it was estimated that Plas Menai would achieve at best 10% of its normal revenue and SWNC 18%. A best estimate for 2021/22 for both Centres combined was 60% for 2022/23 80%.

The current losses of revenues for the 2020/21 financial year was estimated as c£1,298k. This recognised the value of claims under the JRS and cost control measures taken to minimise expenditure during the period of lower activity.

Sport Wales received an annual capital budget of £345k which would be used to cover basic needs of the Centres and corporate operation. This annual budget has proved to be inadequate given the age of the existing infrastructure.

At the end of 2018/19 £5m of new capital investment for the sector and distributed through the Place for Sport scheme. For the current year £3m had been identified for similar purposes. The response from the sports sector to this new investment had been very positive and it allowed for meaningful improvements to be made. An assumption of £5m pa over the next 5 years was included within the projection.

The Facilities Review Group had previously identified significant capital investment needs for both Centres in addition to the basic maintaining capital frame. The sum within the projection reflected updated estimates to reinstate the Centres' infrastructure. Board Members were concerned of the risks to the operation if this investment could not be found, particularly with regard to Plas Menai.

The Executive continued to hope that the Welsh Government would agree to issuing a Crown Guarantee which would enable Sport Wales to make lower pension contributions and save around £450-£500k. Discussion continued with the Welsh Government on recovery support and the Executive were aware that they may need to carry out a second repurposing of budgets.

7.4 Corporate Risk Register update – SW(20)41

This report updated the Board with changes to risk since its last meeting in June. The impact of Covid19 was the highest risk to the organisation. There were two changes to report:

- Risk of death or serious injury at a Sport Wales National Centre (Sport Wales activities): as the two Centres had partially reopened this risk had been raised. It was still lower than pre-pandemic levels due to limited operations
- Organisational redesign inhibiting the progress of the new Strategy: this risk had not reduced because of capacity issues and some posts remaining vacant.

Risks with regards to ICT and cyber-attacks was discussed. Over the past quarter Sport Wales had received the lowest amount of cyber-attacks ever experienced (a likely result of criminals focusing on Covid19-related health and government schemes). Microsoft Office 365 was a robust software designed for remote working and ICT staff ensured regular updates/patching was carried out. Staff training and internal vigilance continued to help mitigate the risk of human error. Members noted the report.

7.5 Risk Appetite review – SW(20)42

This report asked Members to discuss and agree the current risk appetite of the organisation. Members thought it would be useful to have examples of low, medium and high risk levels in order to understand the scale better. Delivering the new Strategy meant taking a higher risk on new

approaches, the latest innovations and working with new non-traditional partners. Members asked to give the overall risk appetite further reflection.

ACTION: LH to present the report with an updated scale for the next meeting in November.

8. Consent Agenda

8.1 Annual Report of the Audit & Risk Assurance Committee (ARAC) – SW(20)43

The Chair of ARAC asked Members to note that the overall rating for Sport Wales was substantial. That was the highest a public body could achieve and was a formidable achievement. Members noted the report with thanks to the Finance team for all their hard work.

9. Groups and Standing Committees

9.1 Critical Governance Group: There had been no further meetings.

9.2 Strategy Resilience Group (SRG) – SW(20)44

SRG had agreed to focus its initial advocacy work on four key themes:

- Education – enhancing the fundamental role of sport in the curriculum.
- Health – enhancing sport's role in the preventative health agenda.
- The Welsh Way – developing person-centred environments.
- Sport for All – increasing the understanding and importance of sport to all (economic, social and cultural).

The proposal was for a staged approach looking at the next few months, the political cycle towards the next Welsh Government election and a long-term advocacy commitment. The report detailed what areas of work would fall under each of those categories.

Further lockdown measures in certain regions of Wales may affect the progress of the ComRes survey but this was currently unknown. There was discussion around the likelihood of being able to influence both policy and public spheres at the same time and the need to prioritise. Members noted the report.

9.3 Community Sport & Activity Programme (CSAP)

The CSAP Project Board last met on 7 September. An update on Sport North Wales had been received, plus an indication of how the roll out to the rest of Wales would progress. There had been delays due to local authority partners having to prioritise the focus on pandemic-related business. A formal report would be next given to the Board in November.

9.4 Diversity Group – SW(20)45

The Board had agreed at its last meeting in June to establish a Diversity subgroup to check, challenge and support the organisation to ensure that it was proactively addressing the inequalities within sport across Wales. This paper outlined the recommended remit and membership of the group which would be chaired by Leigh Robinson. Other core members of the group would be Alison Thorne, Ashok Ahir, Pippa Britton and Rajma Begum. Staff support would be given by the Head of Corporate Performance and Regulatory Compliance Lead. Additional members and external support would be co-opted onto the group when required. Members approved the recommendation.

9.5 Facilities Review Group (FRG) – SW(20)46

The report summarised the work had undertaken since the Board's last meeting in June and made the following recommendations:

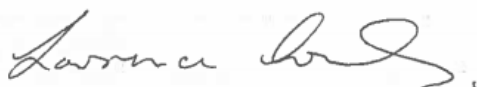
- A capital investment proposal for Plas Menai to be submitted to the Deputy Minister to address long term needs.
- Sport Wales to formally confirm its intention to proceed with the Board's decision to tender for consultancy services to formalise a management outsourcing/joint venture for Plas Menai.
- A communications plan to be defined identifying key stakeholders.
- The Executive and Chair of FRG to pursue conversations with other potential public sector partners in North Wales to determine viability of alternatives to outsourcing.
- Priority to be given to Plas Menai and the work on SWNC should be temporarily paused.

Members agreed the recommendations.

10. Any other business

No issues were raised.

11. Date of next meeting: Friday 27 November



Signed:
Lawrence Conway CB, Chair

Date: 3 December 2020