SPORT ENGLAND

Creating sporting opportunities in every community

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| | Meeting minutes | | |
| **Subject** | SPORT ENGLAND MAIN BOARD | | |
| **Meeting number** | 5 | **Date** | 16.06.09 |
| **Location** | The Stadium and Terraces, Victoria House | **Time** | 10am |
| **Chair Person(s)** | Richard Lewis | | |
| **Email Address** | Rebecca.hunter@sportengland.org | | |
| Present | MEMBERS<br>Sir Andrew Foster<br>James Stewart<br>Jill Ainscough<br>Martin Thomas<br>Mich Stevenson<br>Mike Farrar<br><br>DCMS REPRESENTATIVE<br>Jonathon Hughes<br><br>CHIEF EXECUTIVE<br>Jennie Price<br><br>OFFICERS<br>Caroline Weber – Director of Communications<br>Mihir Warty – Director of Policy and Performance (part only)<br>Phil Smith – Director of Sport<br>Philip Mabe – Director of Finance | | |
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| | Item | Action |
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| | APOLOGIES AND DECLARATIONS OF INTEREST | |
| 1 | Apologies were received from Ashia Hansen, Karren Brady, Phil Lemanski and Jack Rowell.<br>Jennie Price apologised for the late circulation of the papers, and explained that this was due to the timing of the various stages of the preparation of the year end accounts not only for Sport England, but also for its three subsidiary companies.<br>There were no declarations of interest. | |
| | MINUTES & MATTERS ARISING | |
| 2 | The Minutes of the Meeting on 12th May were agreed as an accurate record.<br><u>Sports Coach UK</u><br>Phil Smith reported that, following the recent decision by the Board of Sports Coach UK regarding its CEO, he and the Chairman had met with the interim Chief Executive, Tony Byrne and the Vice Chairman, Derek Taylor. They had offered a detailed explanation of how the work of Sports Coach UK would be undertaken in the absence of a permanent Chair and CEO. The overall impression they gained from the discussion was it was too early to be sure whether Sports Coach UK would be able to deliver on its obligations under its funding agreement with Sport England, although there were some signs of progress and the organisation appeared to be on course to meet its KPIs for June.<br>The Board expressed concern that no warning had been given in advance of this decision either to UK Sport or Sport England as the organisation's primary funders, and there had been no consultation with DCMS at Ministerial or official level.<br>UK Sport had expressed its serious concern, and were due to meet with the Board of Sports Coach UK on Thursday 18 June.<br>The Board raised a number of questions about the process adopted, including whether they had sought legal advice before taking this decision, and whether it was appropriate for the two major funding bodies to be more actively involved in Board.<br>Jonathan Hughes indicated that Ministers would welcome an assessment by Sport England and Sport UK of Sports Coach UK's continuing ability to deliver its obligations under its public funding agreements. | |



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| | It was agreed that Sport England should adopt the following approach:<br>▪ Not become involved in the employment issues regarding the Chief Executive, as that was a matter for Sports Coach UK as an employer<br>▪ Monitor the interim arrangements closely to assess delivery capacity, particularly in the key areas of coach education and overall vision and leadership.<br>▪ At the appropriate time, look at the corporate structure and governance standards at Sports Coach UK<br>▪ Work closely with the Chair of UK Sport in seeking a resolution of these issues<br>▪ Ensure that Sport England has appropriate representation on the Sports Coach UK Board. | PS/JP/RL |
| | <u>Cost Control</u><br>It was noted that, in common with many other NDPBs, Sport England had experienced a sharp increase in the number of Freedom of Information Act requests it was receiving. It was agreed that the Board should pay close attention to levels of expenses, executive salaries and the cost of employing any consultants, and that regular reports should be made to the Board on these issues. | PM/JP |
| | BOARD OBJECTIVES | |
| 3 | The Board approved the objectives set out in paper EMB (09) 5.3.<br>It was noted that, in future, the relationship with the BBC would be lead by the communications team within Sport England. | CW |
| | CHAIRMAN'S INTRODUCTION | |
| 4 | <u>Chairman's Report</u><br>The Chairman reported that since his written report had been prepared he had visited the Youth Sport Trust at Loughborough, and had also met the local County Sports Partnership. The CSP had stressed the need to ensure that in implementing its sport centred strategy, Sport England took account of the fact that local authority targets would encompass physical activity as well as sport.<br>The Board agreed that it was important to maintain a close connection with its local authority constituency, and one way to enhance this might be to invite the | |



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| | LGA to present at a future Board meeting. It was noted that Judith Dean would be presenting a paper to the Board in September on strengthening relationships at local and regional level.<br><br>The Board noted that a new sub-committee had been established for financial matters, which will be chaired by Mitch Stevenson with Phil Lemanski and James Stewart as members.<br><br>Jonathan Hughes gave a brief report to the Board on the new ministerial appointments within DCMS, and confirmed that Gerry Sutcliffe would continue to take a strong lead on sport issues. | JD |
| | CHIEF EXECUTIVE'S REPORT | |
| 5 | NGB 09-13 Update – Award Letters<br><br>Phil Smith reported on the current position regarding the finalisation of NGB awards. It was confirmed that there had been further informal discussions between Government and the ECB on funding for cricket, and that Ministers continued to back the funding decisions made by Sport England. The Board emphasised the need to continue to hold a firm line.<br><br>HE Partnership plan<br><br>The Board noted this report. Richard Lewis reported that in his recent meeting with the Vice Chancellor of Loughborough University, they had discussed the need to focus on the sporting habits of young people when they left higher education and entered the working environment, as well as during their university career.<br><br>World Class Payment Bureau – Exempt Item<br><br>Section 31 - This information is not publicly available because its disclosure would prejudice the efficacy of an ongoing investigation.<br><br>Section 36 - This information is not publicly available because its disclosure would inhibit the free and frank provision of advice or the exchange of views for the purposes of deliberation. | PS<br><br>MD |



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| | DIRECTOR OF FINANCE REPORT – 2008/09 Accounts | |
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| 6 | Five sets of accounts were presented to the Board for their consideration and approval. It was noted that the audit had not yet been completed in relation to either the Sports Council Trust Company or the Sport England Lottery and Exchequer accounts, although it was anticipated that all of the audits would be complete in time for the accounts to be laid before Parliament before the summer recess.<br><br>Keith Jones tabled a summary of the sums involved and of the issues which had arisen during the audit process. In particular, it was noted that this was the first time that the NAO had audited Sport England's subsidiaries, and range of issues on all three sets of accounts had arisen.<br><br><u>Caversham Lakes</u><br><br>Members reviewed the accounts for Caversham Lakes, and noted that all of the outstanding issues had been resolved.<br><br><u>Phoenix Sport Limited</u><br><br>It was noted that a number of issues had been raised but they had now all been resolved.<br><br><u>Sports Council Trust Company</u><br><br>It was noted that significant issues had been raised by the NAO regarding the fixed assets register, and although the discussions were ongoing, it now looked as though these could be satisfactorily resolved.<br><br>The Board noted that the appointment of an additional trustee with appropriate skills in asset management would be extremely useful, and this should be addressed as part of the review of the governance of the National Centres.<br><br>The Board noted that the current review of the Centres would consider the continuing strategic need for them, but that governance issues, including getting the relationship right between Sport England with its subsidiary companies, was an immediate priority. This included ensuring that the relevant Boards had the appropriate competencies, and that Sport England was not acting as a shadow director.<br><br>The Board also noted that the subsidiary accounts were extremely complex, and that over time it was important to improve there accessibility.<br><br>Mich Stevenson reported that he had met with the three subsidiary companies on the previous day, and had asked each of them to report back to him in the light of the points made by the NAO.<br><br>He had noted in particular that the Phoenix Sports Ltd structure was extremely complex, and he had also asked Sports Council Trust Company for a full record | PM/CJ |



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| | of acquisitions and disposals to check that there was an appropriate authority trail.<br><br>The Board noted that the first stage of the strategic review of the National Centres would be presented to the Board at its next meeting.<br><br>Sir Andrew Foster confirmed that the Audit, Risk and Governance Committee had reviewed the accounts of the three subsidiaries in detail at its meeting on 21 January, and were recommending them to the Main Board for approval, although noting that improvements were needed in the corporate governance. He also commented that Sport England needed to have a discussion with the previous auditors of the subsidiaries, Baker Tilley, as a number of the issues raised by the NAO were being identified for the first time. | PM |
| | <u>Sport England – Lottery and Exchequer Accounts</u><br><br>The Board noted that a very high level of disclosure was being offered of Executive and Non-Executive remuneration, and agreed that this should be reviewed next year to remove RSB Chairmen, who were no longer active, and to ensure that the group of Executive Directors whose salaries were published was appropriately defined. | PM |
| | It was agreed that in these accounts the cost of the recent restructuring should be separately and clearly identified within the staff costs. | PM |
| | There was a brief discussion regarding pensions, and it was noted that Deloittes had been appointed to undertake an expert appraisal of the options for reducing the deficit, although given that Sport England was a small participant in a much bigger scheme, these were likely to be limited.<br><br>It was noted that Deloitte's advice would be available to the Audit Committee when it next met in September.<br><br>The Board then reviewed the Lottery Accounts. No additional points were raised.<br><br>Sir Andrew Foster reported that, at the recent Audit Committee meeting, the NAO's Senior Audit Director had spoken very positively about the level of information and co-operation provided by the finance team.<br><br>Sir Andrew congratulated the Finance team on the resolution of some difficult issues, and on the positive feedback from the NAO.<br><br>It was noted that there was a reference to the World Class Payments Bureau in the Statement of Internal Control, and that it was also likely to be mentioned in the C&AG's report, although it would not amount to a formal qualification of the accounts. | |
| | Given that the Audit Committee had thoroughly reviewed the content of the accounts, and in the light of the debate which had just taken place, the Board agreed to delegate to Jennie Price as Accounting Officer and Richard Lewis as | RL/JP |



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| | Chair the ability to sign off the accounts when the audit process has been completed.<br><br>The Board recorded its thanks to Keith Jones for a very clear presentation of the accounts, and to Daniel Brandt for all of the work he had done on their preparation. | |
| | VERBAL UPDATE FROM THE AUDIT COMMITTEE | |
| 7 | Sir Andrew Foster updated the Board on the recent meeting of the Audit Committee, and highlighted that governance of subsidiaries would be a key issue for resolution in the coming months.<br><br>He confirmed that the Audit Committee had reviewed the proposed approach on the World Class Payments Bureau, and strongly supported the action plan which had been put together.<br><br>He also said that there was a story of continuous improvement with regard to internal audit, as this function had been outsourced for the last four years due to the quality of the previous internal audit team, and a further step change was expected with the appointment of Deloittes from the beginning of this financial year.<br><br>The Chairman thanked Sir Andrew for his report, and for the very significant contribution he had made as the Chairman of the Audit Committee. | |
| | BUSINESS PLAN | |
| 8 | The Board reviewed the outline Business plan, and asked for some additional areas to be added, including:<br>▪ Building Sport England's corporate reputation<br>▪ "Narrative" around the relationship between Sport England and its funders and wider stakeholders<br>▪ An explicit reference to the need to develop our people<br>▪ The Olympic legacy.<br><br>It was agreed that the document should be developed in these areas and the drafting sharpened, and the plan for 2010/11 be added. | JP/MW |



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| | SECOND THEMED ROUND | |
| 9 | Mihir Warty introduced the paper setting out the options for future themed rounds. There was a strong feeling that a themed round focused on "Women" would be too broad, and that more analysis was needed to identify either segments of the female population or specific barriers which might be targeted.<br><br>Other subjects for themed rounds which the Board would support included a focus on inner city/urban areas (as an alternative way of reaching populations with a high concentration of BME members), and recession related item.<br><br>It was agreed that further work in this area was needed before a sharper proposition was put to the Board at its meeting in July, on which basis a decision could be taken. | MW<br><br><br><br><br><br>MW |
| | ANY OTHER BUSINESS | |
| 10 | Mich Stevenson asked whether there was any risk that the overall Olympic budget would be exceeded. Jonathan Hughes confirmed that the Olympic authorities were on track to deliver within the original budget of £9.3 billion, and there was no proposal to make any increases.<br><br><u>Dates and arrangements for future meetings</u><br><br>The Board considered the possibility of changing its meeting time from either morning or afternoon to running from 11am – 3pm, and there were mixed views as to whether this would be more appropriate.<br><br>It was agreed that neither a dinner nor full strategy day was needed for the July meeting, but a regular Board meeting would be held on 14 July, and that it would be a good time to experiment with a start time of 11am and a finish time of 3pm.<br><br>It was also agreed that a presentation from a Sport England project should be included in the agenda for that meeting. | |
| | DATE AND VENUE OF NEXT MEETING | |
| 11 | The next meeting of the Board will be held on 14 July 2009 at Victoria House from 11am to 3pm. | |



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