

A photograph of three children riding bicycles on a wooden path in a park. The child in the foreground is wearing a black helmet and a black hoodie with a small logo. The child in the middle is wearing a blue and white cycling jersey and a black helmet. The child in the background is wearing a black and white cycling jersey and a red and white helmet. They are all riding towards the camera. The background shows a grassy field and some trees.

# **The English Sports Council Grant-in-Aid and National Lottery Distribution Fund**

Annual Report and Accounts for the year ended  
31 March 2024

**The English Sports Council**

# **Grant-in-Aid and National Lottery Distribution Fund**

Annual Report and Accounts for the year ended 31 March 2024

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# Introduction



## Welcome from our Chair

While running the risk of sounding like a broken record, it's been another very busy year for Sport England.

I've been Chair of the organisation for more than three years and the work being done continues to be as vital now as it was when I joined and our sector was beginning its recovery from the Covid-19 pandemic.

The results of our latest Active Lives surveys show that recovery, back to pre-pandemic levels of activity, has now been sustained across both adult and child populations – which is a really positive sign.

The results also show the work that still needs to be done, if our goal to tackle inequalities could ever be considered complete.

Last year, in this same space, I wrote about the physical and financial costs of inactivity – both individually and to the nation as a whole.

This is why I'm such a huge advocate for Active Travel too, which saw a recovery of sorts in the November 2021-22 Active Lives figures, but not back to pre-Covid days, another indicator of the work still to be done to make physical activity a normal part of life for everyone in England.

We needn't be disheartened by work still to be done, though. We knew at the outset of our Uniting the Movement strategy that it was ambitious, that there are no quick fixes, and we'd learn a lot from what doesn't work, as well as what does. That was the whole point of piloting.

Three years into the strategy, though, we can see many of our methods working and in late 2023 I spent some time going up and down the country to visit projects making a difference in local communities.

From 'Trapped in Zone one' who help women living, working and studying in Tower Hamlets, London, to get active, to Greenbank Power Hockey Club on Merseyside, who give disabled people an opportunity to play a fast, contact sport, I ended those few days feeling enthused about our work and the impact it's having.

The launch of the third iteration of our Active Design guidance was another reason to be positive.

We know that while many people have good intentions to be active, there are many barriers in their way that can prevent intentions becoming actions. In some cases, literally.

The new Active Design guidance, produced in conjunction with Active Travel England and the Office for Health Improvement and Disparities, advises planners on ways they can build opportunities to build activity back into everyday lives.

On an administrative level I welcomed Natalie Daniels and Elena Narozanski to the Sport England Board – appointed by the Secretary of State for Culture, Media and Sport – who both bring new perspectives, knowledge and insight to the organisation.

And while the following report goes into far more detail and touches on more work than I could ever hope or want to do here, before I finish I wanted to highlight two points.

One of which is the impact of climate change on our sector. I wrote on the Sport England website in October 2023 of the threat climate change poses and how it will severely worsen sporting inequality if not addressed.

Which is why I was proud to see the work done on our own environmental sustainability strategy throughout 2023-24, come to fruition in 2024 with the publication of Every Move – our strategy and action plan to help the sector respond to climate change.

The second point is the power of collaboration.

None of the challenges we face can be tackled or solved alone – especially climate change.

Everything requires collaboration if we're to have a chance of making an impact.

That's why, in the past year, I've been delighted to see commitments to collaboration from Sport England that include investment and a 10-year plan put in place between us and the West Midlands Combined Authority to improve residents' physical and mental health. And this was followed by our unprecedented investment into local communities across England in November 2023.

With more than £250 million of National Lottery funding being focused on working with 80-100 places across the country to ensure those in greatest need can be physically active, it's this type of collaboration that makes me positive about not only what Sport England does, but also how we do it.

***Chris Boardman***

CBE

Chair



# Performance Report

This report gives information on how Sport England has performed in the period 1 April 2023 to 31 March 2024. It is divided into two sections, the performance overview and performance analysis.

## CEO's introduction



When we look back at 2023-24, we will see it as the year when Sport England successfully made the shift from designing to delivering what we must do to achieve our strategic mission of Uniting the Movement. This was not just the mid-point of our strategic implementation plan; it was also the moment when a number of big-ticket programmes started to bear fruit.

I firmly believe that the plans now in place, and the actions arising from them, are empowering us and our partners across England to tackle and overcome the entrenched inequalities that have historically prevented millions of individuals and communities from gaining the significant benefits of being physically active.

As ever, of course, it has not all been plain sailing. We continue to operate in a complex environment, where multiple headwinds, including the aftermath of the COVID-19 pandemic, ongoing economic challenges and many other factors driving inequalities, continue to make the task more difficult.

It was highly encouraging during the year to receive positive data from our most recent Active Lives surveys, which cover children, young people and adults. These showed beyond reasonable doubt that the place-based approach we and multiple partners have pioneered across the country over the last six years through our 12 Place

Partnerships (formerly local delivery pilots, known as LDPs) is proving highly effective under various parameters.

Chief among these was the finding that the specific communities selected as LDPs, representing several distinct kinds in need of additional support to help them eradicate a range of engrained inequalities, have outperformed other comparative parts of the country under several vital criteria. Compared to similar communities that haven't benefitted from the LDP approach, these 12 locations have experienced a more rapid reduction in inactivity and a greater rise in participation rates. For more information on our Active Lives findings, turn to page 14 in this report.

The results have given us the confidence we hoped for before significantly expanding the Place Partnerships programme, with the launch of a new £250 million fund to extend the benefits of our learning by investing in those that need it most. The first of our big-ticket initiatives is focused on identifying and making investments in 80-100 communities in the top 10% of need across the country, massively increasing the geographic reach of the investment.

In delivering this programme, we follow the principle of 'proportionate universalism', pioneered in the 2010 Marmot Review of health inequalities in England, which said: "To reduce the steepness of the social gradient in health, actions must be universal, but with a scale and intensity that is proportional to the level of disadvantage."

To help achieve this, we'll continue to work alongside a national network of 42 Active Partnerships – organisations that have strong first-hand understanding of the needs and issues affecting people in their areas. Their role is to focus on increasing activity levels and reducing inactivity, liaising with those who face the biggest barriers to being active and the organisations in their communities that are best placed to help them. Continuing our work with the network is an essential focus area for 2024 and beyond. These are organisations that have a strong first-hand understanding of the needs and issues affecting people in their areas. Their role is to focus on increasing activity levels and reducing inactivity, working closely with those who face the biggest barriers to being active and the organisations in their communities best placed to help them. Developing the network further is an essential focus area for 2024 and onwards, and I look forward to reporting on the success of this broadened approach in the years ahead.

The launch of the Place Partnership programme was just one of the major big-ticket items of the year. Another of at least equal significance was the creation of the first phase of the Movement Fund, designed and created single-mindedly to make applying for money far easier for sports clubs, local groups and other grassroots organisations,

delivering opportunities that help people to get active. While this was launched early in the next financial year, most development work took place in 2023–24.

We have sought, radically, to streamline the application process for grants worth between £300 and £15,000 into a single point of entry, following consultation with more than 100 partners and community organisations to remove the hurdles and complexity previously faced by applicants. As a result, we have integrated a number of tactical funds into a sole source of funding for multiple purposes, providing access to a pool worth £160 million over the next four years.

It is now down to Sport England, rather than the applicant, to do the work of considering the merits of an application and assessing who is eligible for what. However, while the application method may be more streamlined, we aim to continue rigorously prioritising those people and communities who need funding the most and who can most effectively unlock the advantages of sport and activity for new audiences.

This was also the final year of our Small Grants programme, now replaced by the Movement Fund, during which we made awards totalling close to £15 million in response to more than two-thirds of the nearly 5,000 applications we received.

The year included one period when we received more than 1,000 applications in just two weeks. This was the build-up to the initial closure date of June 2023, which was subsequently rescheduled to March 2024.

Looking back, the final year of the Small Grants programme was notable for making more awards in the most important areas to audiences who are in close alignment with our core aim of tackling inequalities. Now, with the Movement Fund fully operational, our grant-making capabilities are more targeted than ever on meeting the aims of our Uniting the Movement Strategy

During the year, another key focus area was a range of campaigns to maximise opportunities for different population groups to participate in physical activity. The most prominent of these was our long-established and hugely successful 'This Girl Can' campaign, which uses multiple channels to demonstrate that there is no single 'right' way for women to get active.

We ran many This Girl Can programmes and communications campaigns, from helping to make leisure facilities safer for female users to working with Tesco on a new sportswear range. You can read about several of these on page 23.

Other strands of our campaigning work included our ongoing 'We are Undefeatable' initiative, which continued throughout the year to help the 15 million people in England living with one or more long-term health condition to build physical activity into their lives. And, with a focus on developing the nation's sporting excellence, we continued to deliver the early-stage talent system in England, but with a shift in emphasis to preventing inequalities from holding people back from fulfilling their potential. You can read about specific instances of this work on page 25 of this report.

Our Chair, Chris Boardman, has already written in his introduction to this report about developing and then launching in the subsequent financial year our new 'Every Move' environmental strategy. I want to thank those people within Sport England, among our partners and at those organisations we have consulted for their insight and hard work in bringing this essential new programme to launch in April 2024.

Every Move is now a key building block of Uniting the Movement, helping to eradicate or at least reduce those environmental barriers that contribute to people being unable to participate in activity. Its touch ranges widely across our activities at Sport England, and Every Move is already helping us to enhance the delivery of initiatives, including our Swimming Pool Support Fund (see page 21), our work under Active Environments (page 65), the Flood Relief Fund (page 30) and much more. See page 20 for details of its scope and its targets.

While these were significant achievements, they were far from the only ones. For example, our commitment to eradicate racism and racial inequality from sport is a key focus area that we are dedicated to solving. This is continuously on our agenda, and the single most visible instance of our activity in this area occurred in March 2024 when, in partnership with the four other UK sports councils, we co-hosted in Leicester the 'Time for action: Tackling racism in sport' conference. See page 35 for a brief overview of the event, which was attended by more than 200 representatives from multiple sports' national governing bodies and equity stakeholders.

Another vital strand of our work was our close collaboration with the Football Foundation during the year to fund, support and launch a programme to encourage and enable multi-sports participation by currently underserved segments of society. These include people from lower socio-economic groups, women and girls, people with disabilities or long-term health conditions, and those from culturally diverse communities. This programme, called PlayZones, aims to deliver refurbished outdoor mini pitches for football and other sports and activities, helping these groups to be more active. See page 38 for a progress report and further details.



Other focus areas for the year included the ongoing delivery of the Sports Survival Package, the £600 million loan and grant-awarding fund created to help professional sports clubs survive income losses during COVID-19. While the fund is no longer making any awards or loans, there remains a significant administrative burden around the repayment of loans over terms of up to 20 years, and we have worked hard to make this as straightforward as possible for funding recipients whilst assuring the DCMS as the organisation accountable for the loans themselves.

We also continued to respond to the findings of recent reports on subjects of significant relevance to the sporting landscape. These included the 2022 Whyte Review, highlighting the widespread abuse in UK gymnastics. This was an extremely important and insightful piece of work, and during the past year we have been delivering against our pledge to lead and champion culture and welfare across the sport.

Similarly, we continue to address negative reports on factors causing concern across other sports, including cricket and swimming. We have also continued to develop our role in ensuring safe sport for all through our continuing focus on integrity in all its forms – including our Workforce Governance programme to ensure everybody across the sector acts in the best interest of all participants.

As is the case every year, we are developing and managing better connections between the five UK sports councils, and those across Europe and further afield, enabling us to improve the inclusivity of sport and physical activity and helping to make the world a healthier and happier place.

This is our aim at Sport England, and we recognise the need to improve our own culture, systems and processes so that we are maturer and more effective. This for me will become a central theme of the year ahead as we ensure that we have the internal governance, assurance and processes that can maximise the impact of our work and investment.

As the election approached, we collaborated closely with multiple stakeholders across government and the communities we serve to ensure continuity and ongoing improvements. It is this approach that will continue to break down barriers and make sport and physical activity accessible to everyone, both now and in the years ahead.

***Tim Hollingsworth***

OBE

Chief Executive

# Performance overview

The period covered by this report – the year to 31 March 2024 – marked the mid-point of the initial design and implementation period of Sport England’s 10-year Uniting the Movement strategy, our vision for making grassroots sport and the benefits of physical activity accessible to everybody in England.

When we look back at this period, it will be clearly defined as the point at which planning was completed and implementation began in earnest, building on the foundations put in place during 2021 and 2022. It was the moment when the theory behind our strategy made the essential shift to practice, with all the positive implications for communities and individuals the length and breadth of the country.

As our chief executive Tim Hollingsworth says in his introduction to this report, it was gratifying that at this crucial moment, we received proof that the place-based approach we have piloted and developed in recent years received a positive endorsement based on hard data.

The evidence from our most recent Active Lives Adult and Active Lives Children and Young People reports proves that activity levels are rising significantly faster in the 12 communities where we have piloted our place-based approach than elsewhere. Likewise, inactivity levels are falling faster in those pilot communities compared to other parts of the country.

While this is reassuring, it is not a clear-cut cause for celebration. Even without the restrictions enforced by COVID-19, activity levels in most communities across England are rising only slowly.

While the number of active adults has risen by two million since the survey started in 2015-16, a quarter of the adult population is still inactive. This increases significantly among less affluent segments, including people from deprived communities and other demographic groups.

Less than half (47%) of children and young people are meeting the Chief Medical Officers’ recommended activity level of 60 minutes a day. This figure falls further among Black (40%) and Asian (40%) children and young people, girls (44%) and those from the least affluent families (44%).

Our Uniting the Movement strategy is designed to address these issues. With unmistakable evidence that inactivity is falling 2.5 times faster in our pilot areas than in other equivalent areas in the country, we are confident that the extension of our place-based approach from 12 to up to 100 communities will accelerate our ability to address the five issues at the core of Uniting the Movement:

- Recover and reinvent: initially focused on the immediate aftermath of the pandemic, this is aimed at reinventing organised sport as more agile, inclusive and resilient to meet the needs of everyone in every community
- Active environments: making it easier for people to be active in their communities, whether in local neighbourhoods, the natural environment, or via dedicated sports facilities
- Connecting communities: collaborating with communities and evangelising successes to help local and national leaders understand the value of investing in sports to build great communities
- Connecting with health and wellbeing: working to ensure sport and physical activity are at the heart of how we all think about health and wellbeing
- Positive experiences for children and young people: bringing the enjoyment and benefits of being active to every child and young person, placing their needs, expectations and safety first in design and delivery

Our ambitions relating to these issues are underpinned by our commitment to leadership and integrity across the sector. We have zero tolerance for bad practices, remaining committed to ensuring best practices in all our activities and those of our partners. Our big-ticket achievements over the past year include:

- the launch of the Movement Fund, streamlining access to grants and crowdfunding opportunities by creating an easy-to-use 'single front door' for every application to Sport England
- the radical expansion of our Place-based approach, bringing its proven benefits to between 80 and 100 communities across England
- our journey of change with up to 130 system partners, helping to bring their expertise directly to where it will do the most good
- our campaigning approach to those sectors of society in particular need of support to help them get active, including women (through the 'This Girl Can' initiative) and people with long-term health conditions (the 'We Are Undefeatable' programme).

Other essential areas included widespread stakeholder management, helping to ensure that the bodies, groups and other organisations we work with receive the help and support they are looking for. This work aims to ensure that their expertise is available through us to other organisations, particularly those at a community level.

Following the publication of the independent Whyte Review into abuse allegations in gymnastics, we have made 19 commitments across coaching and workforce support to create safer environments for sport participants. These included funding a national network of welfare officers to promote good practice and safe sports at a local level.

Similarly, we were clear that Swim England must focus on addressing the significant issues within the sport, including abuse, racism and bullying, that were detailed in the Heart of Aquatics Listening Research Report it commissioned as a condition of their funding agreement with us.

And, along with the other UK sports councils, we identified considerable failings in the British Ju Jitsu Association and agreed that, although they are not in receipt of public funding, their ongoing recognition as the national governing body for the sport would be subject to them meeting a number of strict conditions and creating an organisation and environment in which everyone would feel welcome when taking part in ju jitsu.

The creation during the year and subsequent launch of our Every Move environmental strategy is another key strategic development for Sport England, marking the shift from policy creation and strategy development to the action and implementation stage. As a fundamental cornerstone of Uniting the Movement, this is now operational, focusing on reducing Sport England's carbon emissions by 50% by 2030 and achieving net zero by 2050.



## Key areas of focus of this report

Here, we look at some of the most important focus areas addressed by Sport England during the 2023–24 financial year.

### Emphasis on place

During the last financial year and into the next, the scale of the challenges faced by Sport England and our partners across the country is significant, from rising anxiety and depression among young people to older people spending more time in poorer health.

However, we have important opportunities, thanks to the multiple local and national organisations working so hard to improve people's health and wellbeing. Starting with the NHS, these also include national and regional bodies in the voluntary and community sectors, as well as local authorities, employers, the educational sector, the commercial health and wellbeing sector, and, of course, clubs and other bodies associated with amateur and professional sport.

It is an essential part of our role at Sport England to work alongside these organisations at a community level across the country, enabling us to harness the collective power we can bring to bear on the challenges involved.

We passionately believe that if health is everybody's business, so is sport and physical activity. Over recent years, we have focused our attention on working with national partners to address and eradicate the stubborn inequalities that make it so difficult for individuals and communities to get active.

Since the launch of our local delivery pilot (LDP) programme in 2016, now renamed Place Partnerships, we have consistently recognised the critical role that focusing on place (i.e. local communities the length and breadth of England) must play in creating the conditions necessary to help people be physically active.

The findings of our most recent Active Lives surveys confirm the effectiveness of a place-based focus, with our established Place Partnership communities reporting a raft of ways in which they have outperformed equivalent areas in England.

These results strongly endorse our unwavering commitment to working in areas identified as having the greatest need to tackle inactivity levels and the destructive inequalities associated with them. We are taking what we have learned from our place-based work to date and applying it far more widely, bringing its benefits to between 80 and 100 further communities. These benefits will extend far beyond the £190 million in National Lottery and Exchequer funding we will be channelling into these communities. A further £60 million will also be invested across the country, comprising £35 million on existing work with Place Partners and £25 million on delivering support to every area of England via our Place Universal Offer.

In doing so, we will work through our national network of 42 Active Partnerships across England, consulting with local organisations and leaders to identify and overcome the specific barriers to physical activity in their communities. We are seeking what we call locally trusted organisations (LTOs) to work alongside, benefiting from their unique insights into the most important needs to be addressed, as well as the barriers standing in the way of progress.

It is an exciting moment for Sport England. We are poised to bring the multiple benefits of increased activity to many new communities and individuals, including enhanced health and happiness, stronger communities and safer, more inclusive spaces where people from many diverse backgrounds can get active.

We continue to apply what we learned from our 12 pilots, particularly in building strong relationships with local partners, including health providers and local government bodies, to help deliver together against the previous government's preventative agenda. We have formalised this process by creating our Place Relationships teams, whose members are now responsible for creating ties with relevant organisations across regional clusters.

This includes a move to build closer ties with Metro Mayors across the country, resulting, among other outcomes, in the development of memoranda of understanding with authorities in Greater Manchester and the West Midlands. It also involves establishing which sporting bodies are already active in certain areas and pulling together sometimes disparate organisations to focus on helping people get active in the ways that suit them best.

## Movement Fund

One of the most significant moves made by Sport England during the year was developing and preparing to launch the Movement Fund, designed to make it easier for sports clubs and other organisations that help people get active to apply for financial support.

The £160 million, four-year fund launched in April 2024 as a replacement for our previous funding offering via the Small Grants Programme and Active Together Fund. It uses a mix of crowd-funding pledges, grants and resources that streamline access to open funding.

The fund's main target is to help organisations, from small grassroots clubs to larger groups, with projects that align with our objectives relating to helping more people get active for more of the time. Successful organisations will receive up to £15,000 of support to cover a wide range of costs and items that can deliver positive change in local communities.

Our focus during the year was on ensuring that we could successfully develop a simplified approach to open funding that would be acceptable to our audiences. We worked closely with a wide range of partners, including over 100 sports clubs and community organisations, to gain a deep understanding of the hurdles they faced during the application process. We reviewed evidence together, consulting them on what they most wanted to see from our approach.

This led to a distinct emphasis on service, ensuring that our approach is consistently user-centric from launch into the years ahead. We are committed to frequently reviewing and improving our performance based on regular user feedback to ensure this happens as it should.

In a significant new departure, crowdfunding has an essential role in the Movement Fund. This provides a matched investment of up to £15,000, and we also offer organisations a range of tools, support and guidance to help them crowdfund successfully. We believe the additional benefits available through crowdfunding make this an exciting investment option, with organisations often reporting increased numbers of new members, sponsorship from local businesses, a greater sense of place within the community and developing new skills in social media, marketing and communications.

Grant allocation began immediately as the fund launched, with a clear focus on reaching communities with the demographic characteristics that indicate they are in greatest need. Identifying recipients involves harnessing a comprehensive, evidence-based Equalities Impact Assessment with our new Place Need Classification (PNC) approach.

Progress has been rapid. In the first three months after launch, we had already made more than 340 investments, with a total value of more than £2.6 million. Of these, more than 65% were in places classified as being in the top two quartiles of need – as identified under the PNC process.

During the early months of the fund's life, we also focused on developing and implementing new evaluation, learning and service solutions, designed to enable precise impact measurement and to underpin the continuous improvement of the fund for its users and for our equalisation agenda.

Looking ahead, our attention now and throughout the year will be on making it easier for users to apply for funding. As a key part of this, we are establishing a network of Movement Fund Partners, whose role is to bridge any gaps that remain between us and eligible community organisations that might not be aware of the funding potential that now exists.

## **Every Move**

Early in the current financial year, we launched our first-ever environmental sustainability strategy, Every Move. Due to the speed at which insight and understanding of environment-related issues are evolving, the plan currently covers the next three years, during which we intend to move at pace and deliver rapid positive change.

Much of the thinking and work behind the new strategy was conducted in the previous fiscal year, developing a package involving more than £45 million of new National Lottery funding. This now builds on the £80 million investment by Sport England and the previous government into the Swimming Pool Support Fund, which is helping to make close to 200 swimming pools across England more financially and environmentally sustainable.

*An important focus during the year was on mitigating the threat to swimming facilities, which is particularly serious following the pandemic and the ongoing funding crisis affecting so many local authorities. This was essential work, with Swim England estimating the value of the 23 million swims that take place at public facilities each year at £2.4 billion in social benefits.*

*The need to avert a potential crisis was behind the launch of the previous government's Swimming Pool Support Fund, providing councils across England with a total of £80 million to reduce cost pressures and enable capital investment in their facilities – including focusing on making them more environmentally sustainable.*

*We collaborated closely with the Department for Culture, Media & Sport to set the fund's criteria and were accountable for its delivery. We collaborated with multiple partners during both delivery phases, reaching 196 of the country's most at-risk pools across 102 local authority areas.*

The new strategy and associated fund mark a highly significant moment in developing Sport England's role, recognising the impact of climate change on physical activity levels as extreme weather events increasingly affect participation.

New research we published at the time of the launch showed that 60% of adults and children say extreme weather has negatively impacted their ability to be active, whether in the natural or built environment. The adverse effects are not evenly distributed with those who are deprived, also being at the most risk of losing the health and happiness benefits derived from physical activity.

During the year, we conducted a consultation across the sports sector to establish what forms of action organisations wish to take and what sort of role they want us to play. We held many external focus groups and hundreds of interviews with interested parties, and seconding teams internally to assess the extent of our alignment with the Greening Government agenda.

As a result of this work, one of our focus areas is how we best set an example as a responsible organisation and we have therefore imposed ambitious targets relating to our carbon footprint. Chief among these is the aim of cutting our footprint by 50% by 2030 and achieving carbon neutrality by 2050. During the year, we closely examined our operations and processes to identify where we could make immediate savings.

However, the scale of our organisational impact is dwarfed by the positive outcomes that we believe can be achieved by working with the sector, aiming to fulfil our shared vision: 'a positive and regenerative sport and physical activity sector championing environmental sustainability with every move.'

To start this process, in the fourth quarter of the year, we delivered an integrated programme of 29 events based on three different kinds of training for our partners: formal Carbon Literacy sessions, Carbon Fresk classes based on the Intergovernmental Panel on Climate Change, and the Sports Imaginarium, which helps people envisage the positive future a sustainable sports sector can create.

We also put in place the structures required for us to make investments in the right areas over the years ahead, including in projects supported via the Movement Fund. As well as supporting the Swimming Pool Support Fund (see page 21), we have also helped sports clubs via the Flood Relief Fund, first to repair pitches and other facilities damaged by flooding and then to plan how to avoid similar events. In addition, we are actively involved in initiatives to replace and recycle environmentally damaging artificial pitches.

Elsewhere, our focus has been on working with partners in the natural environment, including the National Trust and the Forestry Commission, to improve opportunities for people to be active while increasing biodiversity. Similarly, we are collaborating with councils and sports facilities operators to ensure that new planting and the protection of green areas are priorities in and around clubs and leisure centres. This is particularly important as the government increasingly emphasises new development, particularly on and around 'grey' sites.

Looking ahead, we aim to strengthen our links across government, including with new partners such as the Department for Energy Security and Net Zero, to help ensure that sports facilities can become true hubs with no negative environmental impacts on the communities they serve.

# Aim 1 – Increasing participation

## This Girl Can

During the year, we ran multiple initiatives under our established campaign theme 'This Girl Can', first launched in 2015 to get women and girls moving more, regardless of their age, fitness level or ability.

Campaigns during the year included #LetsLiftTheCurfew, referring to the safety fears that cause a drop-off in women enjoying outdoor exercise during the darker winter months. This was revealed by new research showing that 60% of women are concerned about the risk of sexual harassment or intimidation once the nights draw in.

The campaign included a 5km run around Westminster, with a digital screen illustrating the stark contrast between women's feelings about getting active in daylight and after dark. We also hosted a parliamentary roundtable about the safety issues women feel when getting active.

In another safety-related initiative, we also used This Girl Can to highlight some of the issues women can face at public leisure facilities. However, safety was far from the only issue addressed during the year. Body image is another major factor preventing many from participating, with new Sport England research showing that 45% are worried about showing their bodies, while 48% are anxious about being too unfit, 40% about not being good enough, 33% being sweaty and 25% being on their period.

As part of our response to these findings, we helped to create a new activewear range in partnership with Tesco's in-house F&F brand. This followed our finding that 61% of women find wearing their favourite activewear makes summer exercising more enjoyable. The range, which features 10 items for women and girls, was launched in July 2023 for a 12-week period through 264 Tesco locations across England.



Our This Girl Can campaigns also won two major awards during the year. The first was the 'Make Your Comeback' campaign, designed and delivered in partnership with Strava to attract women back to being active after a layoff. It won the Marketing Society's successful and effective partnership award. The second was for our 'Active Mums Start with You' programme, which won the Active Pregnancy Foundation Awards campaign award.

## Building relationships with new partners

Over the last year, we continued our work to change and improve our investment plan to provide long-term funding to a growing line-up of long-term partnerships with national governing bodies (NGBs) and other sports organisations.

This is an essential element of our work to level up further access to sport and physical activity for people in England, working relentlessly with our partners to eradicate the stubborn inequalities that persist in denying many people the clear health and happiness benefits of being active.

During 2022, we announced five-year partnerships with a total of 124 NGBs and other organisations with expertise across the sport, health and charity sectors, representing investments worth more than £555 million. Four more partnerships were announced at the beginning of the last financial year, with Swim England, British Taekwondo, British Taekwondo Council and Pentathlon GB.

Together with an addition to the funding awarded to British Rowing in May 2022, these new awards are collectively worth a further £21 million to NGBs over the next five years.

When selecting which NGBs and other partners should receive such awards, we assess them against their ability to deliver against our Uniting the Movement strategy to help transform lives and communities through sport and physical activity.

We also continued to work closely during the year with the partners we confirmed during 2022, representing organisations from four key sectors:

- **Charities** with a particular emphasis on the importance of people having access to physical activity in their everyday lives. These included parkrun, Women in Sport, Sporting Equals, the Youth Sport Trust, Chance to Shine, Mind and The Richmond Group of Charities
- **Safeguarding organisations** committed to ensuring sport is free of abuse and harassment: these include the NSPCC, Ann Craft Trust and NWG Network
- **National governing bodies of sport** who work to ensure communities are welcomed and represented at every level of their sports

- **Our 42 Active Partnerships** across England, who connect local communities and organisations to create equal and inclusive places for those who live there.

## Making Every Move to tackle climate change

At Sport England, we firmly believe climate change has immense potential to reduce people's health and happiness by suppressing physical activity, disrupting major sporting events or preventing people from participating.

This is the main motivation behind the launch of the new Every Move strategy at the beginning of the current financial year, following a great deal of research, consultation and hard work during 2023-24. See page 20 for a description of how Every Move is designed to encourage the sport and physical activity sector across England to take action to become environmentally sustainable.

We will report in the years ahead on our progress in this essential area of operations as we continue to develop a range of specific programmes that will gather traction over the next year.

## Looking to LA28

During the year, we worked to ensure that social inequalities do not hold back elite sportspeople from fulfilling their potential. As part of this, we were instrumental in creating a more efficient and streamlined 'single submission' approach for NGBs in sports to apply for funding, in alignment with the investment process for the Los Angeles 2028 Olympic and Paralympic Games.

Led by UK Sport, this process requires NGBs due to, or hoping to, receive talent investment from us to make their applications within the existing 'LA28' cycle investment process. This has needed NGBs to improve the scope of their 2025-29 planning, including the production of a draft performance strategy, budget and goals aligned with the demands of the England Talent Pathway.

This ensures that strategies are aligned with both the community sports programmes that precede and surround them, as well as the high-performance programmes they feed. To help the NGBs, our talent specialists attended nearly all the individual sports engagement panel meetings held in November 2023, reviewing and critiquing the individual draft strategies.

The support enabled NGBs to submit their performance strategies in January 2024, often also including their plans for England Talent Pathways. This approach was welcomed overall as a more efficient and effective use of resources.

## Case study

### Serving up a social advantage

Our Chair Chris Boardman has seen his share of excellence in the social role of sport, so it was quite a statement when he said: “This is the most impressive set-up I’ve seen since I took the job.”

That was his response to a visit to Brighton Table Tennis Club, where he heard about its important work in prisons, a psychiatric hospital and schools in and around the city of Brighton and Hove. He was also told about the club’s work with homeless people, those recovering from serious illness, people with Down’s syndrome and other vulnerable groups, as well as being a hub for disability table tennis – including a training centre for Paralympic champion Will Bayley, who also coaches there.

The club is now aiming to have an even greater positive impact, with the opening of a second site in Moulsecoomb, a suburb where almost 60% of children are eligible for free school meals.

## Aim 2 – Decreasing inactivity

### We Are Undefeatable

We launched our 'We Are Undefeatable' campaign in 2019 to raise awareness and provide opportunities for people with long-term health conditions to be more active. During the year, this took a significant step forward with our new Freedom to Move initiative.

We developed the initiative in response to our latest campaign research, which revealed that adults can be more physically active than they realise simply by engaging in everyday activities like household chores. Doing simple daily tasks significantly boosts overall health. Research indicates that individuals with long-term conditions are twice as likely to be sedentary compared to the general population.

To get the message across, we teamed up with comedian Bill Bailey, who has asthma, and created three easy-to-follow exercise videos, featuring everyday activities in the home. Bill said: "The videos show ways you can increase activity levels with some additional movement while going about your day-to-day activities at home, finding the moves that work best for you."

The recordings had a particularly positive impact on the target audience. Research shows that 69% of individuals living with long-term health conditions would like to be more active, with 66% believing it would help manage or improve their condition. Notably, 52% identified improved mood and wellbeing as the primary benefit.

## Case study

### Getting dynamic at Doncaster Dynamo

Tuesday and Friday mornings at 11am have become important moments in the lives of around 20 men aged 50–75 from in and around Doncaster.

This is when play begins for members of Doncaster Dynamo, a walking football club that has been collaborating with our partners at Get Doncaster Moving, which encourages more people to rediscover the social and health benefits of being active. Open to beginners and experienced players alike, the club plans to start a second team.

It is not hard to understand why when you hear some of the players' comments:

- "You're part of a team, it's a great atmosphere to play in."
- "I feel a lot fitter and it helps with my mental health and wellbeing."

See [getdoncastermoving.org](https://getdoncastermoving.org) for more information.

## Active Design

Our Chair, Chris Boardman, is also the National Active Travel Commissioner for Active Travel England (ATE) which, together with the Office for Health Improvements and Disparities (OHID), helped us produce the third iteration of our Active Design Guidance.

This is an important document that addresses how the design of environments can help people lead more physically active and healthy lives. It uses 10 principles to underpin the overriding concept of 'activity for all'. The guidance aims to help planners, designers, developers and others who influence the places where we go about our lives, to create and maintain environments that encourage and enable people to move more.

Chris believes the guidance holds the key to many issues that are currently faced across England. He says: "Creating places that enable and entice us to move more in our everyday lives is beneficial in many ways, from saving money on travel to giving children transport independence. This creates healthier communities, reducing the strain on the NHS."

He acknowledges that significant work remains. “To be truly transformative, we must expand these principles so people can independently get to schools, shops and workplaces further away,” he adds. “Sport England and ATE have worked closely together to ensure this vision can be realised by forward-thinking authorities and developers who are passionate about designing wonderful places to live that stand the test of time.”

## Talking Therapies

We were partners in a vital project during the year to explore how the NHS could use physical activity in its Talking Therapies work to help improve the mental health outcomes of people with anxiety and depression.

Led by Transformation Partners in Health and Care, alongside the Camden and Islington NHS Foundation Trust and us at Sport England, the new report results from interviews with nearly 400 people. NHS Talking Therapies practitioners, as well as service users, providers and commissioners of community-based physical activity, were also included.

While the report revealed a widespread appetite to increase physical activity levels through Talking Therapies, most interviewees also felt that barriers, including a lack of knowledge or time, were preventing enough from being done now.

According to Suzie Gittus, our partnerships lead for health and inactivity, “Sport England, together with our partners, plans to reduce these barriers and encourage the implementation of the report’s recommendations, so that more people living with a mental health condition can reap the benefits of an active life”.

The report broadly coincided with the completion of a three-year project, Increasing Physical Activity in Psychological Treatment (IPAcT), which ran from October 2020 to October 2023 and explores how to integrate physical activity interventions into existing NHS treatments for depression.

It trialled five different interventions:

- A workshop on physical activity and long-term conditions
- Online group-based cognitive behavioural therapy (CBT) and physical activity for people with depression
- Walk and talk therapy: a one-to-one CBT intervention, with some sessions delivered while walking
- Animal Antiks: nature walks, in conjunction with a local charity, where service users could join nature walks with alpacas
- Move More; Feel Better: a module on the Foundations wellbeing app, with self-help resources designed to help people become more active

We made an evaluation report and service toolkit available in 2024, showcasing impact, learning and support materials to help more services embed physical activity into talking therapies.

## **Flood Relief Fund**

Ensuring facilities damaged in extreme weather incidents can reopen as quickly as possible following a destructive event is essential in decreasing inactivity levels in communities across England.

This is why at the end of November 2023 we updated the criteria for our Small Grants Programme to accept applications from organisations that had been impacted by recent storms and flooding. This followed Storm Ciaran, which left widespread disruption across the south of the country, with sports and leisure facilities affected alongside thousands of homes being left without power, hundreds of schools closed and major travel disruption.

The main emphasis of the grants programme was on those sports that needed to return to action most quickly. This meant that spring and summer sports were a lower priority. Grants of between £300 and £15,000 were available for community-based organisations, from schools offering their facilities for public benefit and sports centres to amateur sports clubs, social enterprises and registered charities. Typical uses of grant money included skip hire, minor electrical works, decontamination, cleaning and securing of buildings.



## **Moving Healthcare Professionals**

During the year, we continued our work with the Office for Health Improvement and Disparities (OHID) to support the delivery of our shared Moving Healthcare Professionals programme.

Launched in 2017, this aims to give health professionals the awareness they need to promote physical activity to their patients to prevent and manage ill health. Making this approach part of normal NHS clinical practice will help to reduce long-term demand and costs for the NHS.

In 2023, we worked with many partners, including Sheffield Hallam University, Faculty of Sport and Exercise Medicine UK, the British Medical Journal and Intelligent Health. The scale of the programme over the years has been remarkable, with more than 157,000 health professionals engaging with its assets and resources. We also trained 40,000 health professionals on including physical activity discussions in their conversations with patients.

The programme's profile has been impressive and has received recognition as good practice from the World Health Organisation global action plan on physical activity (2018–2030).

## **Broadening our community reach**

We completed the groundwork for expanding our national network of Place Partnerships from the 12 local delivery pilots (LDPs) we have operated since 2016, to up to 100 relationships nationwide.

This expanded programme will focus on communities identified as being in the top 10% of need. It will draw on the lessons learned through the LDP programme, which has seen our pilot communities outperform equivalent places during the programme to date.

We are optimistic that with the support of our existing and new partners across the significantly expanded network, we will see similar improvements in multiple new places. We look forward to reporting on our progress during the years ahead.

## Case study

### Introducing the joy of swimming

“When you spend a lot of your time attached to feeding and intravenous pumps, being in water brings joy and freedom.” The words of founder Kim Purkis express the thinking behind Hampshire-based Face Everything and Rise (FEAR), a charity supporting people undergoing chemotherapy, feeding or other treatment via a central line.

It was in 2022 that we first awarded FEAR £10,000 to deliver twice-monthly swimming events for children. Since then, it has run 28 events attended by nearly 3,000 people, from babies to octogenarians, including 194 children who had never swum before.

FEAR has also bought several NHS-approved drysuits to keep participants safe from water-borne bacteria and has used additional funding from us to run sailing and skiing lessons, as well as outdoor adventure days offering archery, canoeing and rock climbing.

But for Kim nothing beats swimming: “It brings that special feeling of weightlessness,” she says.

## Aim 3 – Tackling inequality

### Moving to Inclusion Framework

One of our key priorities, shared across all the UK sports councils, is to promote and develop equality and inclusive practices across the sector so that everybody in England can enjoy the benefits of being physically active – regardless of location, ability or background.

This is the goal behind developing our new Moving to Inclusion Framework. This practical tool helps all organisations – no matter their size – to analyse and understand where they are strong and where they need to improve regarding equality, diversity and inclusion.

The framework is based on the outcomes of in-depth research in which we participated. This research resulted in the creation of a self-diagnostic tool for organisations based on the five pillars of Leadership, Culture, Experience, Relationships, and Communication. The tool now provides the insight organisations need to help embed equality, diversity and inclusion into their everyday work through regular action planning, implementation and review.

Viveen Taylor, our director of equality, diversity and inclusion in sport, said: “This is an extremely important development that’s already improving the culture of the sports landscape and we look forward to reporting on further progress in the years ahead.”

## Inequalities Metric

Most adults in England (55%) have at least one inequality factor relating to class, age, education, ethnicity, health and geography. These factors prevent them from participating in sports and physical activity. This is one finding of our Inequalities Metric, launched in 2024, to help us tackle inequalities in participation.

The result is that close to three-quarters (72%) of those with no inequality factors meet the Chief Medical Officers' activity guidelines, compared with only 40% of those with two or more. This underlines the severe impact of these factors. The data further shows that the situation is subtly different for children and young people, with 48% of those with no inequality factors meeting the guidelines, compared with 40% of those with two or more factors.

The figures might look cold, but closing these gaps would see the proportion of the active adult population rise by 10%. In comparison, the proportion of children and young people meeting the Chief Medical Officers' guidelines would increase by 4%. In hard figures, closing these gaps would lead to 4.6 million more active adults and 166,000 more active children and young people.

## Disability Action Plan

In February 2024, the previous government, with our close involvement, published its Disability Action Plan. It set out the actions the government intended to take to improve the lives of disabled people across the UK.

As Mims Davies MP, then Minister for Disabled People, Health and Work, wrote in the plan's foreword: "Over 1 in 5 people in the UK are disabled. We want to tackle the barriers that prevent disabled people from fully benefiting from and engaging in our society. That means making this country the most accessible place in the world for disabled people to live, work and thrive."

Our CEO, Tim Hollingsworth, who also acts as the Government's Disability and Access Advisor for Sport and Activity, welcomed the publication, saying: "There is, of course, no silver bullet that will solve all of the problems facing disabled people overnight, but today's publication represents a milestone for everyone who cares about tackling inequality and removing the barriers disabled people face daily."

He also expressed his support for government plans to explore hosting the Special Olympics World Summer Games in 2031, which were last held in 2023 in Berlin. “It is both important as the pinnacle event for athletes with intellectual disabilities worldwide and inspiring and uplifting for everyone who attends or is involved. I am eager to explore the tangible benefits of this.”

## **New charity partnerships**

In late 2023, we announced new long-term partnerships with three valuable disability charities – Sense, Mencap and Special Olympics GB. This was a critical part of our ongoing programme to create close five-year partnerships with bodies committed to using sport and physical activity to transform lives and communities. Our chief executive, Tim Hollingsworth, said: “We are very proud to partner with these three incredible charities that do so much to promote sport and physical activity for disabled people, many of whom may have previously felt unable to get involved.”

The first of these, Sense, supports children and adults with complex disabilities, delivering services ranging from round-the-clock care to short breaks, arts, sports and other wellbeing programmes. Our £2.2 million grant will enable them to help more people get active in their communities by expanding their reach into new parts of England, while upskilling their own care staff and sports providers.

Mencap provides services to people with learning difficulties, including help engaging with local leisure facilities. We have awarded £2.7 million, enabling them to extend their reach further and create new resources and networks to showcase learning and best practices while advocating positive change.

Special Olympics GB uses sport to empower children and adults with intellectual disabilities. The £1.5 million we have awarded will help ensure it continues to deliver innovation and inclusion and further develop its specialist expertise in this area of work.

## **Tackling racism in sport**

As our chief executive reported in his introduction, late in the financial year, we co-hosted the ‘Time for action: Tackling racism in sport’ conference in partnership with the UK’s other four sports councils.

We continued to focus on several key related areas, including developing a new approach to procurement that requires embedding EDI considerations into processes to improve the diversity of suppliers to the sports sector.

We also continued our work to embed race-equality best practices into our new operating model, ensuring an anti-racist lens is always applied to our activities. We actively sought to improve our analysis and use of data to ensure we make the right decisions across many aspects of the organisation, including our structures and systems, people and representation, insights and investments.

New incidents of racism in sports have continued to remind us that this essential work is far from complete. For example, after speaking out about what he called 'rife' racism at the RFU, former England rugby union star Luther Burrell said he was inundated with messages from parents saying their children had also been victims. Lord Patel, then Chair of Yorkshire County Cricket Club, also spoke out about the torrents of abuse he suffered after taking charge following the Azim Rafiq racism scandal. He has since resigned from the club.

Such incidents serve as a constant reminder of the importance of acting against racism and this will continue to be a key focus for us in the years ahead.

## **Accessible sports facilities**

At Sport England, we believe no unnecessary barriers should exist to prevent people with disabilities from participating in sport and other physical activity. This is why we have promoted the importance of ensuring that sports facilities are open to, and accessible to, everybody for a long time.

We have also guided the overall design concepts, technical issues and other factors that need to be considered during the design and planning stages of public facilities. Sometimes, these relate to specific types of disability, for example the 850,000 people in England who have dementia.

Leisure pursuits, including physical activity, are often among the top activities people with dementia want to do but a range of barriers can prevent them from participating. To help overcome these, part of our £1.3 million investment of National Lottery funding into the Richmond Group of Charities, which helps those with long-term health conditions get active, has funded a project by the Alzheimer's Society to address the activity-related barriers faced by people living with dementia.

The Dementia-Friendly Sport and Physical Activity Guide offers practical, evidence-based guidance on issues ranging from signage and wayfinding to accessible changing and showering facilities.

## Case study

### Climbing to health and happiness

Few stories that better express the power of physical activity have reached us recently than one from our Active Calderdale partnership in West Yorkshire. There, a 15-year-old transgender person had been struggling with mental health and isolation issues for several years. Through Active Calderdale, they took part in a four-week rock-climbing project.

Immediately, they were hooked. Now, they go climbing every week and have made friends within the group, regularly meeting up with them away from the climbing sessions. They are building body confidence, too, and hope that being healthier and stronger will improve their sleep and mood.

This is just one small but significant incidence of the gains in all aspects of life that playing sport and getting active can achieve. See more at [active.calderdale.gov.uk](https://active.calderdale.gov.uk).



## **Aim 4: Improving the experience of children and young people**

### **Building on Lionesses' success**

In late 2023, the previous government announced the launch of the Lionesses Futures Fund, administered by The Football Foundation. This fund earmarked £30 million to deliver 30 new artificial grass pitches offering priority access to women and girls.

The pitches will offer female-only evenings and priority booking for female teams to help drive participation and create pathways for growth.

This is just part of a focus on encouraging more girls to take up football, and ensuring they have access to the facilities they require, following England's success at the European Championships in 2022 and their journey to the World Cup final in 2023.

The fund is one element of a wider programme to help build on the 68,000 increase in the number of girls inspired to start the game by these successes. As revealed in our December 2023 Active Lives Children and Young People Survey, this growth in participation has helped to increase the total number of girls playing football across England to 845,000.

## Go! London: young entrepreneurs make capital returns

One of the most significant programmes under our efforts to help more people get active is our Go! London community sport fund, operated in partnership with the Mayor of London and the London Marathon Foundation.

A key objective of the five-year, £19.5 million venture, to which we have committed £7.5 million of National Lottery funding, is to create positive experiences of sport and physical activity for children and young people, with the aim of transforming the lives of Londoners aged four to 24. When the fund launched in 2023, our executive director of place, Lisa Dodd-Mayne, commented: “It will be exciting to see how this exercise will help to unlock the potential of young Londoners.”

A year on from the launch of the Young Entrepreneurs programme, created to enable young people to develop new business ideas that improve access to sport and physical activity, a Dragons’ Den-style event was held at London Stadium to judge 10 innovative new concepts. These included:

- a solution for tackling the issues Muslim and Black Asian minority women face in football
- a sustainable activewear and printing brand
- planned community walks, particularly geared towards young Muslim women
- an app that removes barriers and tackles social isolation for young people
- a digital marketplace where young people facing financial barriers can request equipment or small amounts of financial aid.

All 10 ideas were selected in principle to receive grant support, enabling them to be brought to life and help people facing various inequalities access physical activity opportunities across the capital.

## A deeper understanding of physical literacy

At its simplest, physical literacy is defined as our relationship with movement and physical activity throughout life. Another universally applied definition is ‘the ability to move with competence and confidence in a wide variety of physical activities in multiple environments that benefit the healthy development of the whole person’.

These definitions place the concept at the heart of our vision for children and young people under the Uniting the Movement strategy. The day in September 2023 when more than 100 people from across the academic and sport and physical activity sectors gathered at the Royal Society of Arts to see the Physical Literacy Consensus Statement for England revealed was a significant moment for us and for the sector.

This followed 18 months of work to develop the statement, which aimed to ensure that people working in the sector can make their offers as appealing as possible by applying a deep understanding of the factors impacting people’s life-long relationships with movement and activity.

Our chief executive Tim Hollingsworth said: “We know we must ensure that children and young people have positive experiences of sport and physical activity that are fun, inclusive, and help them develop. Now, with the new statement, we have a framework that helps us explore this in greater depth. Putting forward the concept of physical literacy is now our collective task.”

The statement was a collaborative effort, created by a group of expert researchers and professionals from institutions including Liverpool John Moores University, Coventry University, the University of Bradford and the University of Gloucestershire. It was finalised following an extensive consultation and included feedback from people working and volunteering in multiple environments across the sport and physical activity sector.

## Helping children Play Their Way

During the year, we were one of the 17 partner organisations behind the launch of Play Their Way, a new campaign designed to create a 'child-first' approach to coaching that builds on children's enjoyment of sport and physical activity.

The campaign will work with England's 2.6 million coaches over the years ahead, aiming to build a grassroots movement that increases and improves child-first coaching in communities across the country.

We regard coaches, many of whom already employ a child-first approach to their work, as unsung heroes in our society, with evidence showing that children who receive coaching are 82% happier than those who do not (Coaching in the UK, 2019). Play Their Way is now giving coaches access to further support and resources to help them achieve the vision we share with them of increasing the activity levels of children and young people by delivering a consistently positive experience.

During the development of Play Their Way, we and our development partners identified the three key ingredients of child-first coaching, which enable children and young people to exercise their rights to be heard, to play and to develop. These are:

- Voice: they have the scope to share their views, which are then acted upon in a positive way
- Choice: how they play and participate is down to them
- Journey: they develop holistically, in their own way.

## Case study

### New sports hub revolutionises local facilities

The Football Foundation charity, on which we represent the Government in partnership with the Premier League and the FA, made its biggest-ever grant during the year.

It provided £6.2 million to fund the Bobby Moore Sports Hub, an outstanding new site in Dagenham, East London. The hub features 16 grass sports pitches and three 3G pitches, radically improving the grassroots facilities available to the local community.

As well as paying homage to nearby West Ham's World Cup-winning captain, the new site also honours other local football legends. These include Sir Trevor Brooking and Paul Ince, who grew up close to the site.

The opening ceremony featured several past and present West Ham players, including Women's Super League Defender Hawa Cissoko, Anton Ferdinand and Bobby Zamora.

## A focus on safeguarding

Ensuring that children are safe and protected against all forms of abuse when participating in sports and other forms of activity is an essential element of our remit.

This responsibility was illustrated in recent years by our co-commissioning of the Whyte Review to investigate and make recommendations regarding allegations of mistreatment in British Gymnastics. This resulted in 19 recommended action points, addressable across the sporting landscape.

As a result of this work, we have been actively collaborating with partners in various welfare-related areas over the last year. One of the most significant projects has been to fund, with £14.83 million of National Lottery money, a national network of 59 new regionally based Welfare Officers.

Developed with partners including sports NGBs, the NSPCC's Child Protection in Sport Unit and the Ann Craft Trust, the new network's chief remit is to mentor and support sports clubs in developing and delivering local safeguarding programmes across our national network of 42 Active Partnerships.

We have also worked closely during the year with CIMPSA, the professional development body for the UK's sport and physical activity sector, on providing a better structure and career path for coaches across England. This is focused on the quality of the relationship coaches have with children, including a deeper understanding of safeguarding and softer skills such as awareness, empathy and listening.

In another new programme of work, we have also helped to develop and deliver a new case management programme that provides funded organisations with pathways to escalate their response to welfare-related situations raised by children or their parents. This includes providing access to support from safeguarding specialists and legal advice.

We have also contributed to the foundation of an advisory panel comprising people who have suffered abuse in the past. Its developing role is to encourage partners to work with children and their families, to ensure that a proper human element is always retained with a true sense of empathy for what potential victims might be experiencing.

## **Case study**

### **Shooting hoops for a healthier Basildon**

We were delighted during the year to support Basildon Basketball Club to deliver its Hoops for Health initiative, promoting physical and mental health awareness and wellbeing.

First created by a group of NHS professionals playing casually in parks, the club soon attracted new members. And when the founders witnessed the health benefits many of these were experiencing, they applied for funding to create an official 12-month project.

With £7,640 of the project's total £9,640 cost covered by a Sport England grant, Hoops for Health rapidly gained traction in the summer of 2023. They've doubled their weekly playing time, launched a range of mentoring and coaching programmes and have created links with clubs and universities to illustrate how a living can be made from basketball.

In the words of one participant: "I don't normally exercise, but the tournaments motivate me to do conditioning and training."

# Performance analysis

This section provides an overview of our key risks to performance and the impact of their management. It also summarises our performance in our key areas and the impact of our work in meeting our objectives during the year.

## Principal risks

As an arms-length body (ALB), Sport England must comply with the requirements set out in the Framework Agreement with DCMS, Managing Public Money, and follow the Government's Functional Standards and the Corporate Governance Good Practice (where applicable to an ALB). There is an internal control, governance, assurance and risk management framework in place for the financial year 2023-24 to support these requirements and we maintain a corporate risk register, which is updated quarterly and reviewed by the Audit Risk and Governance Committee (ARGC) which meets at least four times a year. Further information on Risk management and Internal controls, including independent assurance on risk management, are included in the Governance Statement.



## Risk and assurance

Sport England has undergone a corporate risk refresh based on Uniting the Movement, the 10-year plan and the organisational changes. This has led to the introduction of seven new risk categories being established, with 11 principal risks that the organisation is focusing on:

Risk categories	Principal risks	What we are actively doing
Our People	People & Talent Management	<ul style="list-style-type: none"> <li>• <i>New Learning and Development (L&amp;D) training services and Management programmes are being facilitated.</i></li> <li>• <i>New people plan strategy.</i></li> </ul>
Our Partners	Stakeholder Management & Engagement	<ul style="list-style-type: none"> <li>• <i>A Partnership Framework is being built, creating and fostering a robust but pragmatic approach to engagement.</i></li> <li>• <i>Revised Code for Sports Governance.</i></li> </ul>
Our Delivery	Successful delivery of Strategic Objectives	<ul style="list-style-type: none"> <li>• <i>New Strategic KPIs &amp; objectives.</i></li> </ul>
	Successful delivery of Operations	<ul style="list-style-type: none"> <li>• <i>New programmes like the Movement Fund.</i></li> </ul>
	Transformational Change	<ul style="list-style-type: none"> <li>• <i>New Grant Management system.</i></li> <li>• <i>New Delivery Programme.</i></li> </ul>
Compliance, Legal and Regulatory	Statutory, Regulatory & Functional Standards	<ul style="list-style-type: none"> <li>• <i>Hiring subject matter experts (SMEs) to help the organisation add strength.</i></li> <li>• <i>Tightened controls around Policy management.</i></li> </ul>
	Environmental Sustainability	<ul style="list-style-type: none"> <li>• <i>New Environmental Sustainability Strategy.</i></li> </ul>
Technology and Data Management	IT infrastructure & Data Visibility	<ul style="list-style-type: none"> <li>• <i>New IT Data strategy.</i></li> </ul>
Reputation and Advocacy:	Inherent Risks from Partnerships	<ul style="list-style-type: none"> <li>• <i>Continual improvements in standards via governance code and safeguarding investment.</i></li> <li>• <i>New Partnerships Framework.</i></li> </ul>
	Demonstrating Our Impact	<ul style="list-style-type: none"> <li>• <i>New Golden Thread of Strategic KPIs and Reporting.</i></li> </ul>
External	Government & Political	<ul style="list-style-type: none"> <li>• <i>Enhanced focus on communication with the new government.</i></li> <li>• <i>Enhanced focus on maintaining funding stability.</i></li> </ul>

## Current risk appetite statement

Sport England has a medium risk appetite overall but recognises a multi-faceted approach to risk management is required to deliver its strategic aims, as described below:

Sport England will continue to adopt a low-risk appetite for transparency and stewardship of public money.

Within its framework of evidence-based and well-controlled decision-making, Sport England is currently willing to adopt a higher risk appetite to deliver its strategic priorities in circumstances such as the following:

- Innovations, where outputs can be evidenced and evaluated.
- Exploratory projects that enable a 'test and learn' environment.
- Rerouting investment where performance or governance is poor.
- Developing potential sources of partnership and/or commercial income, providing a clear alignment with our values.
- Where there is an urgent need for resources and support from Sport England and delivery aligns with the strategy.

## What we do

Sport England adopts a risk-based approach to management, ensuring we consider the risks that impact our strategic objectives and KPIs. We aim to safeguard our spending against Value for Money by implementing proportionate measures based on our Appetite and Tolerance levels.

Principal risks are reported to the ARGC, focusing on our active efforts across the organisation. This enables the ARGC to reflect on our work to ensure Principal risks meet their targets and are managed according to the agreed Risk Appetite and Tolerance levels.

## What to expect

As Sport England evolves in how we deliver our work, our risk-based approach to risk management is also transitioning in line with the strategy.

The Internal Risk and Assurance team collaborates closely with the organisation. Currently, it is redefining the Risk Appetite and Risk Tolerance, creating a more targeted approach. This alignment will be reflected in a new appetite statement and will be attached to our new risk categories.

## Going concern

Sport England continues to adopt the going concern concept in the preparation of Sport England's Grant-in-aid and Lottery accounts.

For the Grant-in-aid accounts, this is dependent on future grants or Grant-in-aid from Sport England's sponsoring department, the Department for Culture, Media and Sport (DCMS). Under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need. However, Sport England has an Exchequer settlement agreed with DCMS to 31 March 2025. As disclosed in the **Statement of Accounting Officer's Responsibilities**, the Chief Executive is responsible for assessing the ability to continue as a going concern and using the going concern basis of accounting unless the Council and the Chief Executive anticipates that the services provided by English Sports Council Grant-in-aid will not continue to be provided in the future. There is expected to be no change to the continued provision of services by Sport England.

For the Lottery accounts, future financial provision has been made for Sport England's Lottery distribution activities through section 23 of the National Lottery etc. Act 1993. There is expected to be no change to the continued provision of services by Sport England. As disclosed in the **Statement of Accounting Officer's Responsibilities**, the Council is required to prepare the Accounts on the going concern basis.

## Consolidated activities

We prepare separate accounts for our Grant-in-aid and Lottery Distribution Fund as required by the Secretary of State for the Department for Culture, Media and Sport (DCMS). We don't prepare a full set of consolidated accounts due to the differing accounting policies we're required to follow under the two separate accounts directions.

However, to give a better understanding of our activities, we've prepared the following summary results for the two accounts combined for the 2023-24 and 2022-23 financial years.

	Sport England Group <sup>1</sup>		Sport England	
	2023-24	Restated 2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
<b>Income</b>				
Grant-in-aid income	191,984	113,571	191,984	113,571
National Lottery income	224,109	223,643	224,109	223,643
Other income	2,980	6,851	2,792	6,815
<b>Total income</b>	<b>419,073</b>	<b>344,065</b>	<b>418,885</b>	<b>344,029</b>
<b>Expenditure</b>				
Net Grant-in-aid grant commitments	214,323	131,756	214,312	131,726
Net Lottery grant commitments	88,803	113,115	88,803	113,115
Non-cash grants	1,964	2,604	1,964	2,604
Operating, sports development and other costs	39,761	37,247	39,718	37,245
National sports centres	4,549	6,158	4,549	6,158
Depreciation	4,089	4,637	286	1,252
Assets gifted to subsidiaries <sup>2</sup>	-	-	4,927	1,459
Impairment of fixed assets/loss on disposal	843	1,220	1	1,356
<b>Total expenditure</b>	<b>354,332</b>	<b>296,737</b>	<b>354,560</b>	<b>294,915</b>
<b>Net income for the year</b>	<b>64,741</b>	<b>47,328</b>	<b>64,325</b>	<b>49,114</b>
Net gain on revaluation of properties	2,746	8,911	-	-
Net gain/(loss) on investments	64	(52)	-	-
(Increase)/decrease in defined benefit pension liability	(5,501)	37,613	(5,501)	37,613
<b>Total income for the year</b>	<b>62,050</b>	<b>93,800</b>	<b>58,824</b>	<b>86,727</b>

A restatement of the prior year has been performed as a new valuation for the NSC estate was obtained for the property values as at 31 March 2023. Please refer to note 28.

1 Includes the accounts of the two subsidiaries, The Sports Council Trust Company and English Sports Development Trust Limited.

2 Capital expenditure at the national sports centres owned by The Sports Council Trust Company.

## Operational expenditure

Sports development, administration (operating costs), and staff are apportioned between our Exchequer and Lottery activities in accordance with the methodology set out in note 1.6 of the Exchequer and note 1.7 of the Lottery accounts. As the apportionment of costs varies between years, the costs are aggregated to make a comparison easier.

**Sports development costs** support the delivery of our award programmes as well as promoting the development of sport and physical activity in local communities. The costs for the year were £11.6m (2022-23: £9.0m). This is mainly due to increases in grant programme support costs consistent with the overall increase in grant expenditure across Exchequer and Lottery, notably in the Partnerships and Policy and Integrity areas.

**Administration costs** are incurred to operate the business. During the year, operating costs were £7.4m (2022-23: £9.2m). The decrease is mainly due to a reduction in the costs of provided support for the administration of the Sports Survival Package (SSP) and the reduction of office space hired from the prior year.

The **costs of staff** who deliver and support both sports development and administrative functions was £20.6m (2022-23: £19.0m). The increase is primarily due to a 7% increase in staff numbers.

## Working efficiently

There are a number of key targets used to measure our financial efficiency.

**Exchequer:** we are set an absolute administration cost target as part of our spending review settlement, which has been achieved. We were also within the ringfenced administration budget for SSP. In addition, we are required to operate within the overall budget limits set by DCMS. Resource and capital Grant-in-aid (GIA), (excluding SSP), were underspent by £0.4m for the year (2022-23: £1.0m), which is 0.2% (2022-23: 0.7%) of total GIA funding of £238.7m (2022-23: £152.1m).

**Lottery:** The benchmark 7.75% gross costs target uses a three-year rolling average Lottery income as its base to reflect fluctuations in National Lottery income over a longer period, and excludes irrecoverable VAT.

Due to the cross-governmental nature of the Active Lives Survey, and with the agreement of DCMS, the cost of the Active Lives Survey is excluded from the calculation, as are the costs of operating the Be Inspired database, which is the consumer database transferred from the London Organising Committee of the Olympic and Paralympic Games.

The achievement against targets for 2023-24 is 6.95% (2022-23: 6.90%). The three-year rolling average income for the 2023-24 target calculation is £224.1m and for 2022-23 was £224.4m.

## Cash management

Management of our **Exchequer cash resources** is in line with the requirement to minimise our cash balances, which is contained within Managing Public Money.

Our Exchequer cash balance at 31 March 2024 was £19.0m, which is £12.4m higher than last year mainly due to timing of payment of suppliers near year-end (2022-23: £6.6m).

The management of our **National Lottery cash resources** is by a rolling investment and cash flow plan which is regularly reviewed by the Executive and Board. The plan was updated in the 2020-21 financial year to cover the 10-year period of the new strategy to 2031. The investment and cash plan ensure that the right balance is maintained between having award programmes in place to achieve our strategic priorities, while taking into account the uncertainty of National Lottery income and ensuring that forecast cash balances are always greater than £50m.

The balance in the National Lottery Distribution Fund (NLDF) at 31 March 2024 was £219.6m (2022-23: £196.0m). The balance has increased mainly due to share of proceeds exceeding funds drawdown by £13.1m and investment returns increasing by £6.0m on prior year due a higher NLDF balance and higher interest rates. The movement in the NLDF balance is detailed in note 2 of the National Lottery accounts.

## Equity

**Exchequer:** Taxpayers' equity is £2.1m (2022-23: £48.2m) and includes an increase in the pension reserve deficit and a large increase in the general reserve deficit (2022-23: decrease in the pension reserve deficit and general reserve netted against an increase in the revaluation reserve). The increase in the pension reserve deficit results from the calculation of liabilities in IAS 19 is explained below.

The decrease in the general reserve of £45.0m (2022-23 decrease of £38.0m) is mainly due to grants and other operating costs exceeding the Grant-in-Aid received by £46.3m.

**Lottery:** The deficit in equity amounted to £245.2m (2022-23: deficit £353.4m).

The decrease in the deficit reflects that our grant commitments during the year were less than the annual income received by £111.4m due to five-year commitments to System Partners made in 2021-22, there was also an increase in the pension reserve deficit of £3.3m. How we manage our income and commitments is explained in the cash management section.

The increase in the pension reserve deficit results from the calculation of liabilities in IAS 19 is explained below.

## Defined benefit pension scheme

The IAS 19 valuation of the defined benefit and unfunded pension for accounting purposes is a liability of £4.6m (2022-23: asset of £0.9m). This includes the value of the unfunded liability at £6.0m (2022-23: £6.2m).

The increase in the deficit of £5.5m was mainly due to the increase in the pension asset ceiling of £12.2m offsetting the increase in the fair value of pension assets of £5.9m, with all other movements being minimal. The pension assets increased by £5.9m to £138.6m.

The last triennial actuarial valuation as at 31 March 2022 indicated a surplus of £32m. Sport England contributions to pension schemes are detailed in note 19 to the Exchequer and note 13 to the Lottery accounts.

## Audit

The Comptroller and Auditor General (C&AG) is the statutory auditor of the Lottery accounts and is appointed by agreement to audit the GIA accounts. The audit fee was £65,000 for the Exchequer accounts (2022-23: £66,000) and £65,000 for the Lottery accounts (2022-23: £55,000). Both subsidiary companies were also audited by C&AG and the audit fees for the year were £45,500 (2022-23: £27,000).

## Supplier payment performance

During the year, the average period from date of receipt to payment of valid invoices was seven days, 96% were paid within 30 days (2022-23: 9 days, 95% within 30 days).

## Policy on additionality

Sport England and the organisations that distribute Lottery funds on its behalf recognise and respect the additionality principles of Lottery funding. Lottery funding enables us to extend the reach and increase the impact of the activity that we could undertake if only Exchequer funds were available. Together with the other Lottery distributors who make up the Lottery Forum, we have agreed to share the following common definition of additionality:

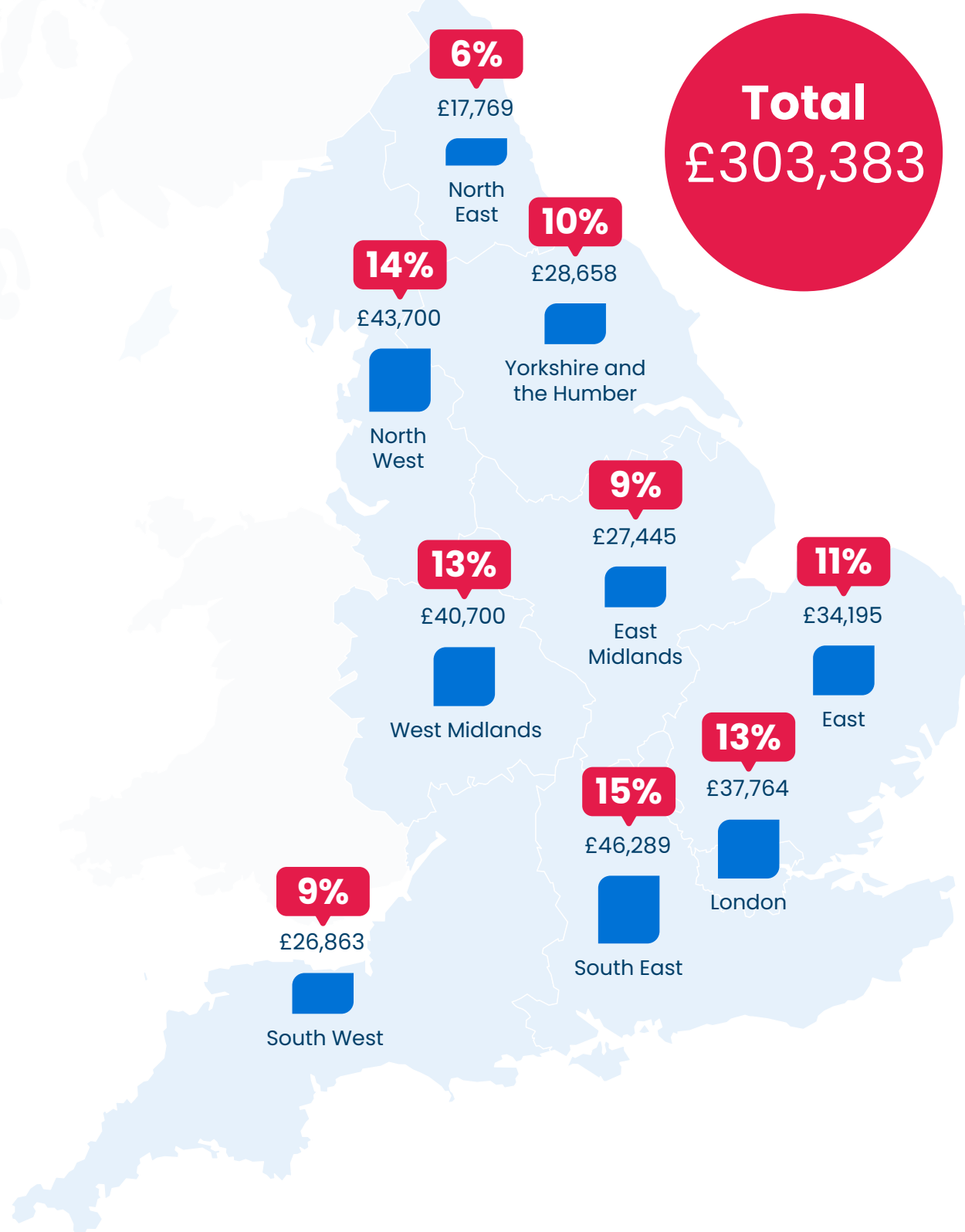
- Lottery funding is distinct from government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements government and other programmes, policies and funding.

We and our delegates will have regard to the principles of additionality and this policy when we set the strategic objectives of our Lottery-funded programmes and when we decide how each programme will operate. We have used, and will continue to use, Lottery funding to fund specific time-limited activity that would not take place without the support of the Lottery.



## Geographic breakdown of funding awards

(All figures in £'000s)



The map above outlines the geographical breakdown of Sport England's investment for 2023-24.

It provides a picture of how our funding across the four main categories of investment set out in our current implementation plan (2022-25), has been regionally distributed.

These categories are:

**Partnerships** – a network of organisations in whom we invest to play important roles in the governing and delivery of sport and physical activity and/or who help us to deliver our strategic ambition. Examples of work this year include our major investment into 'system partners', including our long-term partnerships with 124 NGBs and three valuable disability charities – Sense, Mencap and Special Olympics GB.

**Place** – investment into the local organisations and leaders in specific places, where there is the greatest need for support to overcome the specific barriers to physical activity that exist in their communities – as well ensuring that there is a universal offer available for all. Examples of work this year include expanding our national network of Place Partnerships from the 12 local delivery pilots (LDPs) we have operated since 2016.

**Campaigns** – investment into targeted campaigns such as 'This Girl Can', 'We Are Undefeatable' and 'Play Their Way' to reach specific audiences in the population with the aim of changing norms and behaviours

**Open Funding** – small scale investments to help smaller organisations and projects through grants, crowdfunding support and free tools and resources to make it easier to provide sport and physical activity opportunities for individuals and communities in need. Examples of our work this year include the launch of the Movement Fund in April 2024 as a replacement for our previous funding offering via the Small Grants Programme and Active Together Fund.

The geographical breakdown is based on analysis of data returns from funded organisations. For most awards/investment, the region is based on the delivery location of the award. For some specific projects that deliver across geographical borders, the region is based on targeted delivery location and ONS population data.

## Measuring success and KPIs

In 2023/24, Sport England set out to create a new performance framework and a set of key performance indicators (KPIs) that would:

- evidence our effectiveness and efficiency as an organisation
- show our quantifiable contribution to the delivery of Uniting the Movement (UtM)
- demonstrate the collective impact and value of the wider system in delivering UtM.

This was a commitment set out in our 2022–25 Implementation Plan and linked to the launch of the previous Government sport strategy, Get Active, in 2023.

The new framework was needed to better reflect the complexity of the challenge set out in our strategy, reflecting the theory of change between what we do and the end outcomes we hope to see.

This framework was approved by the Board in December 2023 with the first wave of data collected and presented in March 2024.

The framework includes indicators of success against three performance categories:

- **Strategic:** reporting of KPIs focused on the strategic delivery of UtM and its key principles and investment types.
- **Systemic:** reporting of critical whole-system measures of success – including population-level progress.
- **Operational:** reporting of critical corporate KPIs focused on the operation of the organisation and compliance with necessary standards.

## Strategic key performance indicators

The focus of our investment and ultimately the success of our work is measured through the **Strategic KPIs** and associated metrics.

The table below sets out the performance areas, strategic indicators with a headline summary of the performance against these.

Performance Area	Strategic Indicators
<b>More people are taking part because of our work</b>	1. Contribution to increasing activity and decreasing inactivity
<b>We are investing more where it is needed most</b>	2. Investment is directed to the right places (of greatest need) 3. Investment is directed to the right people (under-represented groups)
<b>Our major investment areas are effective</b>	4. Effective delivery of system and strategic partner investment. 5. Effective delivery of place-based expansion investment 6. Effective delivery of open funding investment 7. Effective delivery of campaigns investment
<b>We're catalysing collaboration on the big issues</b>	8. Effective collaboration at a national level against Big Issues and the mission of UtM 9. Effective collaboration at a local level against Big Issues and the mission of UtM. 10. Stakeholder and partner perception of Sport England effectiveness in delivering UtM
<b>We're developing diverse and skilled people</b>	11. Skilled leaders and professional workforce 12. Diversity of leadership in funded partners
<b>We're improving governance and integrity</b>	13. Sport England sets governance standards and holds funded partners to account. 14. Robust, applied, effective safeguarding systems and processes with partner organisations
<b>We're stepping up on environmental sustainability</b>	16. Sport England models by reducing its own organisational environmental impact. 17. Sport England sets environmental standards and holds funded partners to account

## Summary of progress against Strategic KPIs

### **More people are taking part in sport and physical activity because of our work**

- We've been working to create a contribution model (estimating how much our investments have contributed to activity and inactivity levels in the population). The first version was presented to the Sport England Board in September 2024.

### **We're targeting investment to places and people that need it most**

- Increased the percentage of football and multi-sport investments going to the most deprived areas (hitting the target of 50%)
- 100% of the first 50 places we're expanding into are amongst the 10% of places with greatest need
- 91% of system partners are targeting specific under-represented audiences through their work
- The latest campaign targeting statistics for This Girl Can and We are Undefeatable show high levels of reach and cut-through to target audiences.
- Over 50% (52% in Q4) of our Small Grants Programme awards were funding projects in the most deprived areas (exceeding the target of 30%).

## **We're successfully delivering our major investments**

### **Partnerships**

The 24-month report shows evidence that there's a major shift towards progress and completion of the individual goals set by each of our System Partners.

For example, the percentage of partners providing significant evidence of progress towards the agreed goals has increased from 78% to 89% and the percentage of partners demonstrating evidence of learning and evolution of their plans has increased from 73% to 80%.

### **Place**

Active Lives data shows that activity levels in local delivery pilot (LDP) areas are performing above expectations based on their composition and almost in line with the national average.

The latest figures show 60.6% of people were active in the targeted locations and means that these areas are performing slightly above expectations based on their composition.

This is corroborated by data coming out of existing Place Partners themselves. Over the longer-term, LDP areas have seen activity levels track broadly 2-3% below the national average.

Despite no reportable long-term increase, it is fair to say LDP areas are performing in line with England (which is up 1.3% compared to Nov 15-16).

LDP areas are generally more deprived than other areas; for the whole sample, approximately 25% are from the most deprived areas (IMD 1-3) whereas in LDP areas this is closer to 45% who are from the most deprived areas (IMD 1-3).

We would not expect LDP areas to do as badly as IMD 1-3, as 50% do not live in these places but equally we would not expect them to do as well as England overall, given they are more deprived.

The most deprived places in the country have seen a long-term drop (down 2.5%), therefore LDP areas are performing above expectations based on their composition.

## Campaigns

This Girl Can (TGC) brand recognition, plus impact on attitudes and activity levels, has remained stable – with a slight increase in the number of women who said they got more active as a result of seeing TGC (currently 81% having previously been 79%).

We Are Undefeatable has successfully improved attitudes, helped to better understand barriers and opportunities and enabled action amongst those with long-term health conditions. The % of people from the target group agreeing that the campaign inspires them to get active has risen from 52% to 61%.

## Open funding

The Movement Fund was launched in April 2024 and the first data and dashboard was published later that year. Whilst this was being developed, both the existing Small Grants and Active Together crowdfunding schemes have targeted investment into the most deprived areas (52% for Small Grants in Q4 and 25% overall for crowdfunding).

## We're successfully influencing other organisations on our policy goals

We've seen positive examples of national and local influence on key policy issues. Some of these examples include:

- new partnership with the Mental Health Foundation, which has cemented policy partnerships with the NHS and the mental health charity sector
- embedding youth voice across our work and supporting others to do the same by bringing together partners to share knowledge and co-design solutions
- the newly launched environmental sustainability strategy. Every Move sets how Sport England will drive climate awareness and action across the country
- the launch of the 'Let's Get Out There' wave of the TGC campaign, working with key outdoor partners, focused on women from culturally diverse backgrounds to show that natural environments and outdoor spaces are for all women, supporting target audiences experiencing multiple barriers to activity
- Sport England continues to support and develop publicly owned leisure facilities through advocacy and influence for the future of public leisure and support for local authorities to transition services towards a sustainable active wellbeing service.

## Systemic Key Performance indicators

These indicators represent the “state of the nation” for sport and physical activity. Sport England’s role is to report and interpret the relevant data and then offer leadership and insight to the sector.

Whilst Sport England contributes to these measures, it is not solely responsible for their delivery, with the wider sector, including central Government, holding accountability.

The table below sets out the performance areas, systemic indicators with a headline summary of the performance against these.

Performance Area	Systemic Indicators
Active people	1. Increase in % of adults active 2. Increase in % of children and young people active
Inactive people	3. Reduction in % of adults inactive 4. Reduction in % of children and young people less active
Inequalities in who is active	5. Reduction in adult activity inequality 6. Reduction in child activity inequality
Positive experiences as a foundation for an active life	7. More positive experiences for children and young people (components of physical literacy) 8. More positive experiences for adults (motivation, capability and perception of opportunity)
Social outcomes	9. National social value of sport estimates (incl. value of sport to health outcomes)
Perception and reputation of sport (measure of integrity)	10. Public and stakeholder perception of the culture of sport and trust in the sport sector/system
Environmental	11. Sector environmental sustainability – the reported effect of extreme weather on people’s participation in activity
Big Issues	12. Indicators TBC (currently under development)



## Summary of progress against Systemic KPIs

Both adult and child activity levels have seen significant increases against baseline (adults at 63.1% against a baseline of 61.3% and children at 47.0% against a baseline of 44.9%) but this is only back to the levels seen before Covid-19.

This is similar for the levels of inactivity, which has seen a decline for both adults and children (adults at 25.8% from 27.1% and children at 30.2% from 31.3%)

However, the overall figures masks concern around inequalities – especially socio-economic and ethnic group inequalities. We have focused on creating a new ‘inequalities metric’ to give a better sense of how multiple indicators of inequality work together.

The focus for 2024-25 is to develop and test a contribution model, to better understand and evidence Sport England specific impact on systemic KPIs

## Operational key performance indicators

These indicators focus upon the internal operations of Sport England. The table below sets out the performance areas, operational indicators with a headline summary of the performance against these.

Performance area	Operational indicators
<b>Financial management</b>	1. Variance to budget outturn at the end of each financial year
<b>Grants management</b>	2. Grant maturity assessment
<b>Counter fraud</b>	3. Fraud prevented, detected and recovered
<b>Cabinet Office controls</b>	4. Compliance to Cabinet Office Controls
<b>People</b>	5. Recruitment and retention 6. Delivery of our Diversity and Inclusion Action Plan (DIAP) Equality Ambition 7. Diversity of our leadership and workforce 8. Staff Engagement Improvements 9. Social mobility and disability confidence scheme
<b>Organisational improvement</b>	10. Improving organisational efficiency
<b>Governance</b>	11. Compliance with Managing Public Money through Internal Audit Opinion
<b>Performance management</b>	12. Timely monitoring and management of our performance
<b>Reputation</b>	13. Partner and stakeholder perceptions of our credibility and reputation

## Summary of progress against Operational KPIs

Our recruitment and retention metrics have remained fairly stable across the year (10% turnover and 90% retention) and reflect a positive picture against the objectives set including all of the DIAP actions being on track and the diversity of our workforce (13.6% of staff from a culturally diverse background from a baseline of 10.2%, and 9.1% of staff with a disability from a baseline of 7.2%)

Our internal audit opinion has declined, which whilst disappointing is not surprising given the focus of the audit upon internal processes currently being reviewed as part of our internal transformation work.

The creation of a new performance framework with detailed KPIs was signed off by the Sport England Board and provides a quarterly monitoring and management of Sport England performance.

Both the grant maturity assessment and stakeholder perception survey results are for publication in 2024/25.

The financial management data is presented within the relevant sections of this annual report and accounts.

# Code compliance

As noted elsewhere in this report, since April 2017, all organisations seeking funding from Sport England (and UK Sport) have had to meet the governance requirements in a Code for Sports Governance.

The table below shows the number of organisations assessed as compliant against Tier 2 or 3 of the Code as of May 2024, compared to May 2023. As the Code only applies to organisations receiving funding from Sport England (and UK Sport), any increase in figures is related to the number of new partners receiving substantive investment.

Number of organisations assessed as compliant since the introduction of the Code	271
Change since May 2023	+10

Assessment of Tier 1 organisations is managed through the Investment/Grants Management process and covered alongside due diligence. It is not recorded in the same way as Tier 2 and 3 but the last report estimated the figure to be just over 4,000 organisations assessed at Tier 1 since the introduction of the Code.

# Sustainability report

## Overview of sustainability work

Sport England has made good progress towards improving its environmental sustainability performance this year.

Board approved an Environment Policy in September 2023, setting out its corporate approach to sustainability to provide clarity and guidance to employees, suppliers and partners on expectations and aspirations for the environment and sustainability. Following this, an Environment Strategy, 'Every Move', was approved by Board in December 2023 and an Action Plan in March 2024. Together, these provide an ambitious roadmap to improve the sustainability of Sport England's estate and operations and how it collaborates and supports the sport and physical activity sector on its sustainability journey. The strategy will be launched in May 2024.

## Own operations

As a first step, Sport England has calculated scope 1, 2 and 3 emissions for its offices, operations and from the National Sports Centres (NSC), where it is responsible, under the Greenhouse Gas Protocol. The year 2019-20 has been used to establish a baseline from which to compare future years' greenhouse gas emissions (data from 2020-2022 has not been calculated as they are likely to be highly misleading because of the coronavirus lockdown during this period). The total footprint in 2019-20 for scope 1, 2 and 3 emissions from its offices, operations and the National Sports Centres for which it is responsible is 7,679 tonnes of carbon dioxide equivalent greenhouse gases.

Targets to achieve a 50% reduction in greenhouse gas emissions by 2030 and to become net zero by 2040 have now been approved with actions set out for the next three years. We are working closely with the operators of the National Sports Centres to improve sustainability across key themes including energy, procurement and waste, the natural environment and biodiversity.

This comprehensive approach to monitoring emissions provides considerably more detail than those required by the Greening Government Commitments (GGC) but entails considerably more work. Greenhouse house gas emissions reported through the GGC for 2023-24 are 2,373 tCO<sub>2</sub>e. Full scope emissions are not yet available.

## Collaborating with the sport and physical activity sector

An in-depth consultation was carried out with the sport and physical activity sector in the spring of 2023 to understand the current position of sustainability across the sector. The consultation report provides a rich source of information and enabled the development of an insight-led strategy and action plan. Preliminary analyses demonstrated that as a first step, the sector wanted more training on climate change. Sport England responded by delivering multiple Carbon Literacy Training sessions, Climate Fresk workshops and training and Sport Imaginarium workshops.

With a vision of a positive and regenerative sport and physical activity sector, championing environmental sustainability with every move, the action plan sets out further ambitious actions to increase the capability and capacity of the sector to respond to climate change and environmental issues. To achieve this, sustainability is being integrated across the work of the organisation, delivering up to £100 million of investment to 2030.

We are clear that our role is to lead, inspire and support the sector to become environmentally sustainable, enabling greater opportunity for all people to participate in sport and physical activity now and in the future.

We have identified six priority themes we need to address:

1. Just transition: inequalities, inclusion and participation
2. Carbon emissions from travel and facilities
3. Circular economy: supply chains, products and waste
4. Blue-green environment: quality and use
5. Biodiversity
6. Adapting to climate change and extreme weather events

We will work with partners to provide resources, toolkits and learning opportunities to provide support and build capability across the sector.

We will leverage our investment, requiring system partners to address environmental social governance through the Code for Sports Governance and require them to produce an action plan, proportionate to their organisation, by March 2027. Through the Movement Fund, clubs and organisations can apply for funding for sustainability projects which benefit activity. We are exploring mechanisms for increasing capacity to support the sector in their delivery.

We will continue to advocate for action, linking agendas across different sectors. Influencing the natural and built environment through our facilities and design and Active Environments work is another huge agenda. In addition, work with partners to improve the sustainability of the many thousands of vital artificial grass pitches is gaining pace.

## **Sustainability Reporting Guidance disclosures**

As Sport England are tenants in our offices, we rely on our management companies to set and monitor waste management, re-use scheme, consumer single-use plastic (CUSP), finite resource and water usage targets. We participate in tenants' groups to improve sustainability of the buildings to help contribute to meeting these targets.

We have also recently revised our procurement policy that now includes sustainability considerations at all stages of the process.

We don't hold significant natural capital or landholdings, but our Sustainability Strategy sets out how, through our work and at our National Sports Centres, we will work to increase biodiversity and natural capital.

The new Archery Centre, completed just before year-end, was designed and delivered to be environmentally efficient, with south-facing solar panels on the roof along with additional battery storage to ensure the benefit is gained all year round. Hot water will be generated via air source heat pumps, which are located externally to avoid the building requiring any kind of gas supply. The heat pumps ensure that the building increases its energy efficiency and reduces its carbon footprint. A case study of the project has been produced to share with partners when considering similar facilities.

In the coming year, we will draw up policies and processes to reduce our environmental impact from ICT and digital.

Greenhouse Gas Emissions			2023-24	2022-23	2021-22
<b>Scope 1 – Direct GHG emissions</b>	Total gross emissions (tCO <sub>2</sub> e): Scope 1		1,203	1,449	26
	Emissions (tCO <sub>2</sub> e) from:	Gas	380	400	26
		Oil	823	1,049	-
		Fuel (including LPG)	-	-	-
		Other	-	-	-
<b>Scope 2 – Energy indirect emissions</b>	Total gross emissions (tCO <sub>2</sub> e): Scope 2		949	865	23
	Emissions (tCO <sub>2</sub> e) from:	Electricity	949	865	23
<b>Scope 3 – Official travel emissions</b>	Total gross emissions (tCO <sub>2</sub> e): Scope 3		222	173	8
	Emissions (tCO <sub>2</sub> e) from:	Domestic	131	99	8
		International	91	74	-
<b>Scope 1 &amp; Scope 2</b>	Total electricity (kWh)		4,611,661	4,514,862	109,634
	Electricity (kWh)	Renewable	29,404	41,608	-
		Non-Renewable	4,582,257	4,473,254	109,634
	Gas (kWh)		2,908,584	2,933,341	139,810
	LPG (kWh)		-	-	-
	Other (kWh)		-	-	-
<b>Scope 1, Scope 2 &amp; Scope 3</b>	Expenditure on energy (£)		1,691,494	1,998,715	23,044
	Expenditure on accredited offsets (£)		-	-	-
	Expenditure on official domestic and international business travel (£)		464,795	373,636	62,693

The programme to replace old inefficient lighting with LEDs continues across the sites, with the Jubilee Hall completed at Lilleshall in 2023-24.

The Biomass heating system at Lilleshall continues to significantly reduce the site's reliance upon oil (Fossil Fuel) as the main source of energy.

Waste		2023-24	2022-23	2021-22
	Total waste disposed (tonnes)	355	423	10
	Hazardous waste disposed (tonnes)	-	-	-
	Non-hazardous waste disposed (tonnes)	Landfill	-	-
		Recycled	147	10
		ICT waste recycled, reused and recovered (external)	-	-
		Composted	38	-
		Incinerated with energy recovery	170	-
		Incinerated without energy recovery	-	-
	Total waste disposal cost (£) <sup>1</sup>		-	8,226
	Hazardous waste disposal cost (£)		-	-
	Non-hazardous waste disposal cost (£)	Landfill	-	-
		Recycled	-	-
		ICT waste recycled, reused and recovered (external)	-	-
		Composted	-	-
		Incinerated with energy recovery	-	-
		Incinerated without energy recovery	-	-

Overall levels of waste have decreased year-on-year since lockdown, with all the waste being disposed of in a more environmentally friendly manner, most of this from the NSCs. As tenants in our offices, we actively participate in waste management schemes run by our landlords and promote environmentally responsible disposal of waste and reduced use of CUSP.

<sup>1</sup> Waste amounts are obtainable from our landlords/facilities managers, but the cost is included in the annual service charge and is not separately itemised.



Finite Resource Consumption			2023-24	2022-23	2021-22
Water consumption (m3) (office estate)	Supplied		242	763	1,021
	Abstracted		-	-	-
	Collected		-	-	-
Water consumption (m3) (non-office estate)	Supplied		61,505	79,327	-
	Abstracted		-	-	-
	Collected		-	-	-
Paper consumption-A4 (reams) <sup>2</sup>	Supplied		95		
Paper consumption-A3 (reams) <sup>2</sup>	Supplied		-		
Water supply costs (office estate) (£)			470	1,046	1,454
Water supply costs (non-office estate) (£)			119,369	135,475	-
Paper costs (A4 & A3) (£)			380		

We actively try to minimise water usage at the NSCs and reuse or collect rainwater where possible. We have managed to reduce our usage at the NSCs and also our offices, as we have reduced our office space.

Indirect use of water is something that Sport England is starting to consider, following the launch of our Environment Policy. From our non-NSC activities, most of the indirect water would arise from our use of paper and email traffic. We do actively encourage staff to minimise printing unless necessary and the use of electronic links in Microsoft Teams rather than sending attachments in emails.

<sup>2</sup> Paper usage and costs were not available in prior years.

GGC Sub-Targets (Ultra-low and zero emission vehicles & Air travel)			2023-24	2022-23	2021-22
<b>International air travel</b>	Total distance travelled by international business flights (miles)		52,094	87,036	
	Disaggregated by category:	Long-haul flights	50,299	87,036	
		Short-haul flights	1,795	-	
	Disaggregated by class:	Economy	5,245	87,036	
		Premium economy	23,955	-	
		Business	22,894	-	
<b>Domestic air travel</b>	Emissions from domestic business flights (tCO <sub>2</sub> e)		1	-	
	Distance travelled by domestic flights (miles)		1,942	1,965	
	Number of domestic flights		6	4	



**Tim Hollingsworth OBE**

Chief Executive and Accounting Officer

The English Sports Council

03 February 2025

# Accountability Report

## Corporate Governance Report

### Directors' Report

#### **Our governance framework**

Sport England is the trading name of the English Sports Council, which was created by Royal Charter in 1997 to foster, support and encourage the development of sport and sporting excellence. Sport England is an arm's-length body (ALB) of government. We carry out our objectives by granting awards to sporting bodies and by making representations on planning applications which affect playing fields.

We are answerable to Parliament through our sponsoring department, the Department for Culture, Media and Sport (DCMS). As an ALB we must comply with the requirements set out in our Framework Agreement with DCMS. This agreement sets out our strategic framework and establishes our working relationship with our sponsoring department. Further, we must comply with the requirements in Managing Public Money and follow the Government's Functional Standards and the Corporate Governance Code of Good Practice (where applicable to an ALB). We have an internal control, governance, assurance and risk management framework in place for the financial year 2023-24 to support these requirements.

## Board

- Comprises a maximum of up to 12 Board members (Chair, Vice-Chair and up to 10 other members)
- Meets at least four times each year
- Takes overall responsibility for Sport England's strategy, policies, delivery and performance
- Approves and monitors major projects, grant awards (over £5 million), Budgets and the Annual Report and Accounts
- Invites, via the Chair, Executive Leadership team members, a DCMS nominee and other non-Board members to attend meetings as appropriate

Board members are appointed by the Secretary of State for Culture, Media and Sport for a three-year term (maximum two terms). The Chair is appointed on a four-year term.

The Board members' terms of appointment are given in the tables below.

Board member	Position	Term of office	Current term of appointment
Chris Boardman CBE	Chair	First	July 2021 – June 2025
Rashmi Becker MBE	Member	Second	July 2021 – July 2024
Mel Bound	Member	First	Jan 2023 – Dec 2025
Michelle Cracknell	Member	First	Jan 2023 – Dec 2025
Natalie Daniels	Member	First	Aug 2023 – Aug 2026
Jason Fergus	Member	First	Jan 2023 – Dec 2025
David Mahoney	Member	Second	Oct 2022 – July 2025
Elena Narozanski	Member	First	Feb 2024 – Feb 2027
Tove Okunniwa	Member	Second	Sept 2022 – Aug 2025
Helene Raynsford	Member	First	Jan 2023 – Dec 2025

Sport England has an experienced, effective and diverse Board of 10 members (at financial year end), led by the Chair, Chris Boardman. Our Board was openly recruited on a skills basis and appointed by the Secretary of State for Culture Media and Sport and is led by Chris Boardman, who began his four-year term as the new Chair on 22 July 2021.

Natalie Daniels and Elena Narozanski were appointed to the Board during the year.

At April 2024, Sport England had seven women on its Board, representing 70% of total membership. We also have three members from a Black, Asian or other ethnically diverse backgrounds on our Board and one with a declared disability. All members of the Board are non-Executive members.

The responsibilities of the Board of Sport England, as set out in Sport England's Framework Agreement with DCMS, include:

- providing strategic leadership, direction, support and guidance and taking forward the development and implementation of Sport England's strategic aims and objectives;
- ensuring that Sport England operates within its statutory remit and the limits of its statutory powers and functions, its regulatory framework and any delegated authority and policy framework determined by the Secretary of State;
- overseeing, monitoring and holding to account the day-to-day leadership of the organisation;
- ensuring that adequate corporate governance, audit and control systems are in place, including the use of the Audit, Risk and Governance Committee to help the Board to address key financial and other risks to ensure statutory and administrative requirements are met, including that Sport England operates in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by DCMS;
- ensuring effective arrangements are in place to monitor and provide assurance on the management of risk, including reputational risk and communicating these with DCMS;
- maintaining adequate oversight of the organisation's activities, in particular its finances, to ensure that public money is spent with probity in accordance with government policy and guidelines; and
- appointing with the Secretary of State's approval a Chief Executive and, in consultation with the department, set performance objectives and remuneration terms linked to these objectives for the Chief Executive.

There are three sub-committees of the Board, which operate with delegated powers and are accountable to the Board. In addition to their roles, some of the key areas on which the committees focused during the year are set out below:

Investment Committee	Audit, Risk and Governance Committee	Chairs and Remuneration Committee
<ul style="list-style-type: none"> <li>• Comprises a Chair and up to eight members, of which at least three are Non-Executive Board members and one is an independent member, and the CEO</li> <li>• Meets at least four times each year</li> <li>• Supports the Board in fulfilling its obligations relating to all existing and potential investment</li> <li>• Approves and monitors major projects and grant awards (between £2.5 million and £10 million)</li> <li>• Supports the Board in developing strategic plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Comprises a Chair and up to eight members, of which at least three are Non-Executive Board members and two are independent members</li> <li>• Meets at least four times each year</li> <li>• Reviews and assesses the effectiveness of the system of internal control, risk management and compliance with appropriate laws and regulations.</li> <li>• Supports the Board in providing oversight and assurance on the integrity of financial statements, in addition to functions relating to counter fraud and audit work programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Comprises the Chair of Sport England and the Chairs of the Audit, Risk and Governance and Investment Committees, and up to one additional member</li> <li>• Meets at least once each year</li> <li>• Serves as a Remuneration Committee with responsibility to agree the terms and remuneration of the CEO</li> <li>• Supports the Chair regarding Non-Executive and Independent Member appointments, including consideration of succession planning.</li> </ul>

## Our executive team

Executive member	Position	Appointment date
Tim Hollingsworth	Chief Executive	November 2018
Jeanette Bain-Burnett	Executive Director of Policy and Integrity	August 2022
Lisa Dodd-Mayne	Executive Director of Place	August 2022
Lizzie Hanna	Chief Finance Officer	March 2023
Nick Pontefract	Chief Operating Officer	March 2018
Phil Smith	Executive Director of Partnerships	September 2008
Ben Wilson	Executive Director of Digital, Marketing and Communications	May 2023

The Executive Leadership Team, including the Chief Executive, attend all Board meetings.

## Board activity

In addition to carrying out the wider responsibilities of the Board, activities are structured to assist in achieving its goal to support and advise Executive Leadership on the delivery of Sport England's strategy, within appropriate governance arrangements.

The Board met formally four times during 2023-24. Attendance records for Board and committee meetings are provided at the end of this statement.

The Chair is responsible for ensuring that each Non-Executive Board member receives an induction on joining the Board and receives an annual evaluation, identifying any specific training requirements, to help fulfil their role both on the Board and committees.

## Key areas which the Board focused on during the year are:

<b>Uniting the Movement</b>	Strategic steer on the implementation of Sport England's strategy under the 2022-25 Uniting the Movement implementation plan.
<b>Helping and enabling organisations to 'Join the Movement'</b>	Oversight of Sport England's investment programmes, including development of a streamlined open funding service (the Movement Fund), launching April 2024, and tools and resources for stakeholders.

<b>Supporting systemic change to tackle inequalities in sport and physical activity</b>	Roll-out of Sport England's place-based approach to delivery. Creating safe and well governed sports systems, including monitoring and responding to issues raised in respect of cricket and swimming. Targeted investment into community sport facilities. Planning and active travel work.
<b>Testing new ways to tackle inequalities in sport and physical activity</b>	Improving support for local organisations working with people from culturally diverse communities.
<b>Responding effectively to unexpected external demands</b>	Including effective management of the Government Swimming Pool Support fund.
<b>Creating sustainable platforms and processes to support Sport England's delivery</b>	Development of new key performance indicators, and the development of a new Environmental Sustainability strategy and Action Plan.
<b>Partner engagement</b>	Major investment into and work with 'system partners' and other key organisations that are delivering Uniting the Movement.
<b>National campaign activity</b>	Future role and delivery of 'This Girl Can'
<b>Research Insight and Evaluation</b>	Research insight and evaluation work (including "Active Lives") informing Sport England and Partners' delivery.
<b>Equality, Diversity and Inclusion</b>	Review and monitoring of Equality, Diversity and Inclusion (EDI) work to ensure that EDI is a central feature of the organisation's and its partners' work.
<b>Annual Report and Accounts</b>	Approval of the 2022-23 Annual Report and Accounts.
<b>Budget</b>	Approval of the 2023-24 budget.
<b>Transparency</b>	Sport England is committed to being transparent and open in how we operate. Our publication scheme sets out information about who we are and what we do, what and how we spend public and National Lottery money and how we make decisions. Our strategy and the agendas and minutes for main Board meetings are published on Sport England's website.



## Committee activity

Set out below are some of the key areas on which the committees focused during the year:

Investment Committee	Audit, Risk and Governance Committee	Chairs and Remuneration Committee
<ul style="list-style-type: none"> <li>• Strategic discussion and decision-making regarding the Uniting the Movement Implementation Plan 2022-2025.</li> <li>• Overall performance of the Sport England investment portfolio.</li> <li>• Strategic steer on investment programmes, approaches and relationships.</li> <li>• The Future of Local Leisure including short-term support and long-term change, building on Local Delivery Pilots and expansion of 'Place-based working'.</li> <li>• Discussion on the process and approval of investment in key 'System Partners'.</li> <li>• Approval of major capital and revenue awards.</li> </ul>	<ul style="list-style-type: none"> <li>• Review and agreement of 2022-23 Annual Report and Accounts.</li> <li>• 2024-25 Budget.</li> <li>• Financial reporting including management accounts, financial forecasts, and National Lottery cash-flow.</li> <li>• Corporate risk register.</li> <li>• Funded partners' governance and assurance updates.</li> <li>• Internal audit plan, progress, reports and recommendation updates.</li> <li>• Review of revised Whistleblowing policy and Counter Fraud strategy.</li> <li>• Regular updates on procurement, counter-fraud and data protection. And Sport England's self-assessment against the Code for Sports Governance.</li> <li>• Updates on complaints information and requests under Freedom of Information legislation.</li> <li>• Regular updates on new Investment Management system (IT procurement).</li> </ul>	<ul style="list-style-type: none"> <li>• Board, Committee and subsidiary co-ordination.</li> <li>• Deployment of Board members, including incoming appointees, to Committee and non-executive roles.</li> </ul>

## **Board and Committee evaluations**

In line with relevant good governance practice, the Board aims to undertake evaluation annually, with external facilitation at least every three years. It is recognised that an overall Board and Committee effectiveness review programme is a key element of an effective governance structure, including a review of the Board's capacity, capability and processes, to support the effectiveness of the Board's function. An externally facilitated review process was initiated during 2023-24. The Board is expected to review the reported findings and implement agreed recommendations during 2024-25.

The Chair has continued to lead Board and CEO-only feedback discussions after each Board meeting and has engaged with members on a one-to-one basis, including annual performance meetings.

Our Audit, Risk and Governance Committee (ARGC) continued in 2023-24 to monitor Sport England's progress towards modelling the obligations and high standards set out in the Code for Sports Governance.

The ARGC and Investment Committee did not undertake separate formal evaluations in 2023-24; however, both Committees have member-only sessions, where they can discuss the Committee's effectiveness and any challenges or queries with the Chair. The Chairs of both committees provide updates on their activity and performance to the Board.

## **Other groups**

Sport England has an Equality, Diversity & Inclusion Group, which is responsible for overseeing activities that aim to improve equality, diversity and inclusion within Sport England. Much of this work has driven changes to recruitment, engagement and educational practices with the aim of supporting greater inclusion. Specific areas of focus have been the Tackling Racism and Racial Equality in Sport (TRARIIS) report, the Code for Sports Governance and Diversity and Inclusion Action Plans. The EDI Group is chaired by the CEO, has representation from all parts of the organisation including the Chairs of five internal colleague network groups and the PCS Union, and is attended by the Board Champion for EDI. In addition, during the year, the Board Champion had a standing report at each Board meeting to provide an update and assurance on activity.

## Board and committee composition and attendance

Board meetings	Total meetings attended	Investment committee meetings	Total meetings attended
Rashmi Becker	4/5	Rashmi Becker	4/4
Chris Boardman (Chair)	5/5	Jason Fergus	4/4
Mel Bound	5/5	Tim Hollingsworth (CEO: Member ex officio)	4/4
Michelle Cracknell	5/5	David Mahoney	4/4
Natalie Daniels*	3/3	Tove Okunniwa (Chair)	3/4
Jason Fergus	5/5	Araba Webber (Independent member)	3/4
David Mahoney	4/5		
Elena Narozanski*	1/1		
Tove Okunniwa	5/5		
Helene Raynsford	3/5		

\*Natalie Daniels' term started on 7<sup>th</sup> Aug 2023

\*Elena Narozanski's term started on 19<sup>th</sup> Feb 2024

<b>Audit, Risk and Governance Committee meetings</b>	<b>Total meetings attended</b>	<b>Chairs and Remuneration committee meetings</b>	<b>Total meetings attended</b>
Mel Bound	4/4	Chris Boardman (Chair)	1/1
Andy Champness (Independent member)	4/4	Michelle Cracknell	1/1
Ian Courts (Independent member)	4/4	David Mahoney	1/1
Graeme Dell* (Independent member)	1/1	Tove Okunniwa	1/1
Michelle Cracknell (Chair)	4/4		
Helene Raynsford	3/4		
Susan Young (Independent member)	4/4		

\*Graeme Dell's term started on 22<sup>nd</sup> Dec 2023

## Related party transactions

Details of all related party transactions of Board Members, Executive Directors and other key managerial staff are disclosed in note 23 of the Exchequer and note 16 of the Lottery accounts. Our conflict of interest policy requires all members of staff, including Executive Directors and Board Members, to declare any interests that pertain to themselves or their immediate families which could impact on their role at Sport England.

Declarations are required when staff join the organisation and when circumstances change, as well as an annual confirmation that declarations are accurate and up to date. Any conflicts declared are reviewed with the support of Legal and HR where needed, to confirm what mitigating actions, if any, are required to manage the conflict. A register of interests is maintained and is available by submitting a freedom of information request to [foi@sportengland.org](mailto:foi@sportengland.org).

## Information security and data privacy

Sport England takes its responsibility for compliance with the General Data Protection Regulation (GDPR) seriously and has processes in place to safeguard the personal data it holds. Regular assurance is given to ARGC. Data protection impact assessments have been integrated into Sport England's decision-making processes and organisational compliance is supported by training.

As part of our ongoing programme of continuous improvement and our IT architecture taking a multi-layered approach, we have implemented several systems and controls to mitigate cyber security risks. These include enhancing our email hygiene platform; protection to prevent phishing and malicious applications; moving to passphrases for our passwords; AI and machine learning monitoring of bad actor activity within our Microsoft 365 tenancy; and introducing Multi-Factor Authentication.

No significant data issues have been reported to the Information Commissioner's Office. However, we keep all data security incidents under close review and continue to maintain a data breach and near miss incident log.

## Subsidiaries

Sport England also has two subsidiary companies. These are the Sports Council Trust Company (SCTC) and the English Sports Development Trust Ltd (ESDT). SCTC owns the three National Sports Centres and the Redgrave and Pinsent Rowing Lake, operates the leases for SE offices and a small investment fund. ESDT focuses on paid media spending for Lottery-funded campaigns. These subsidiary companies are both companies which are limited by guarantee, with Sport England being the sole member.

**SCTC** is also a charity registered with the Charity Commission for England and Wales. SCTC's objective and activities are 'to preserve and safeguard the physical and mental health of communities across the UK'. We do this by promoting physical recreation (including sports) and offer education, as well as providing facilities that are available to members of the public. The National Sports Centres are used by members of their local communities and Olympic and Paralympic competitors. One of the key objectives is to ensure that the charity achieves its public benefit purpose.

**ESDT's** objective is to deliver any commercial contracts related to the media buying arrangements for the women's behaviour change marketing campaign (This Girl Can).

## Statement of Accounting Officer's Responsibilities

The Royal Charter and section 35(2) and (3) of the National Lottery etc. Act 1993 (as amended) require the English Sports Council to prepare a statement of accounts for each financial period in the form and on the basis determined by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury.

The accounts are prepared on an accruals basis to show a true and fair view of the state of affairs of the Council, Group, and Lottery distribution activities at the period end, and of its income, expenditure and cash flows for the financial period.

In preparing the accounts, the Council is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the accounts direction issued by DCMS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Ensure that the Council has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- Make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by subsidiary organisations;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Accounts, and
- Prepare the accounts on the going concern basis.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of The English Sports Council as the Accounting Officer for the Council. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of public finances for which he is answerable, and for the keeping of proper records, are set out in "Managing Public Money", issued by HM Treasury and in the Financial Directions issued by the Secretary of State for Culture, Media and Sport under section 26(3) of the National Lottery etc. Act 1993.

The Accounting Officer of The English Sports Council is responsible for preparing financial statements that give a true and fair view, and for making available to the auditors all relevant information for their purposes.

So far as the Accounting Officer is aware there is no relevant audit information of which The English Sports Council's auditors are unaware. Further, the Accounting Officer has taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that The English Sports Council's auditors are aware of that information.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

## **Governance statement**

### **A Code for Sports Governance**

Throughout the year we have worked hard to ensure our own governance practices continue to be robust and fit for purpose. In parallel, we have continued to work with the sector to encourage and support continuous improvement in sports governance, ensuring both we and our partners are better able to effectively fulfil our various roles and responsibilities.

Since April 2017, all organisations seeking funding from Sport England (and UK Sport) have had to meet the governance requirements in the Code. Developed by Sport England and UK Sport, the Code sets out the levels of transparency, accountability and financial integrity required from those seeking Government and National Lottery funding. In July 2020, Sport England and UK Sport announced a review of the Code. This focused on diversity and inclusion but also took a comprehensive look at every aspect of the Code, not only each individual requirement but also how the Code was presented, used and applied, drawing on experience from the previous four years of operation, best practice developments and a range of evidence. After a period of extensive consultation, key changes to the Code were announced in July 2021, with the full revised Code and a new booklet for Tier 1 published in December 2021. Tier 1 is the minimum standard in the Code, and we hope the new booklet is providing a more accessible resource for partners improving governance at that level. Both Code documents are published on our website at: <https://www.sportengland.org/campaigns-and-our-work/code-sports-governance>.

Assessing compliance with the Code continues as we make new investments, and we engage closely with the sector to achieve this whilst supporting our partners to reach the high governance standards set by the Code. The process for assessing partner compliance with the revised Code commenced at the close of 2022-23 and continues

into next year. The assessment process helps to protect the value for money the public receives from investment into sport and maximises the effectiveness of those investments. It also provides us with a more detailed level of assurance over the investments we make.

The Code adopts a proportionate approach, expecting the highest standards of governance from those organisations requesting the largest public investments. It has three tiers, with Tier 3 representing the top level of mandatory governance requirements. Sport England is reviewing its own compliance against the revised Code but complies with continuing Tier 3 requirements, including independence and diversity on the Board, term limits for appointments, primacy of the Board in decision-making and transparency and accountability. We publish a wide range of information about our governance structure, strategy and financial position.

## **Risk management and internal control**

The Board ensures there are effective arrangements for risk management and internal control at Sport England through ARG C. We have controls in place to support the management of risk across the organisation and risk management forms part of our internal governance processes. During the year we actively reviewed and amended Sport England's corporate risk register, reshaping some risks and adding others.

A programme of risk management training has been undertaken by senior colleagues and the executive team. ARG C meets quarterly and reviews the corporate risk register at each meeting and provides input and feedback. Please refer to the 'Risk and assurance' section of the Performance Report on pages 45-46 for more details on our risk categories and principal risks, along with our approach to risk and dealing with it.

Throughout this financial year, we have been undergoing a business transformation which has impacted upon the whole organisation. We are working towards achieving a greater level of maturity in our risk management. This work is being led by our CFO. A new Head of Risk, Assurance & Counter Fraud has joined the organisation and is supported by a dedicated Risk Manager. This work is being championed by our ARG C and will continue to be a priority for 2024-25.



## Whistleblowing

The Whistleblowing Policy is reviewed annually. No whistleblowing complaints were received during the year.

## Independent assurance and internal controls

From April 2024, RSM UK will provide internal audit services and fulfil the role of Head of Internal Audit. However, for the 2023–24 fiscal year, BDO remains responsible for delivering the audit opinion. Internal audit provides independent assurance to our Accounting Officer and Board, through the Audit and Risk Governance Committee (ARGC), on the adequacy and effectiveness of our governance, risk management, and control processes, contributing to the achievement of our Uniting the Movement (UTM) strategy.

Sport England's internal audit plan is risk-based, regularly reviewed, and updated annually. It is discussed with the Executive Leadership Team (ELT) and approved by the ARGC. Internal audit reports, including progress and follow-up reviews, are presented at each ARGC meeting, ensuring that our audit recommendations are closely aligned with their implementation. This process keeps all stakeholders informed and involved in the improvement of our internal controls.

Key audits underpinning BDO's opinion for 2023–2024 include counter-fraud, compliance with Government Functional Standards, risk management, IT strategy, and decision-making processes. For 2023–24, BDO provided a 'Level 3 – Limited' assurance rating, indicating that significant improvements are required in governance, risk management, and internal control. This represents a decline from the 'Level 2 – Moderate' rating for the previous year. The decrease reflects organisational changes, with systems needing to realign to new structures and ways of working.

A three-stage plan has been introduced to improve our Limited Assurance grading, starting with establishing a clear tone from the top (approved in the Q1 2024 ARGC meeting). This focuses on using the principal risks, risk appetite, and tolerance statements to enhance communication and clarify expectations across Sport England. Additionally, we are focused on designing and implementing improved processes and controls, alongside investing in advanced systems. These initiatives are designed to strengthen the effectiveness of our controls in alignment with the evolving operational landscape.

The management team has taken proactive measures to enhance governance and risk management by expanding the headcount in fraud and risk to facilitate increased due diligence, strengthen controls and increase awareness through essential training.

Strategically, we have classified our principal risks into five thematic categories, which have been integrated into the annual internal audit plan. This approach ensures that Sport England's internal controls effectively mitigate the most significant risks to our strategic objectives and the execution of Uniting the Movement.

Operationally, we will collaborate closely with RSM to identify areas where internal audits and their recommendations can further enhance organisational resilience. The ELT and the ARGC will proactively monitor the internal audit plan to ensure it addresses any emerging risks as the year progresses.

## **Government functional standards**

We actively monitor our compliance with the key Government Functional Standards, which outline the expected standards and best practices across various domains, including finance, commercial operations, IT, and grants management. Designated leads for each functional standard are responsible for reviewing compliance, ensuring that all mandatory elements are met, and developing action plans where necessary.

Sport England has conducted a comprehensive audit of its compliance with Government functional standards using the Grant Continuous Improvement Assessment Framework, achieving a score of 91% Best grading, which represents the highest grading in our grant functional standards assessment. This result has been independently verified.

## **Fraud risks**

Sport England recognises that it is a target for both external and internal fraud, particularly fraudulent grant claims or misuse of grant funds. To mitigate these risks, we proactively deter, detect, prevent and investigate fraud, bribery and corruption, ensuring compliance with the Government Functional Standard on Fraud (GovS013: Counter Fraud).

To ensure compliance, Sport England is dedicated to implementing an annual counter-fraud action plan, which is monitored and reported on quarterly to the Public Sector Fraud Authority (PSFA). We maintain regular communication with the DCMS fraud lead to stay updated on any changes in requirements. The ARGC is regularly updated on all fraud cases and control improvements.

A centralised fraud register is maintained to track historical and current allegations, investigations and their outcomes. As of the end of the previous fiscal year, there were three ongoing investigations: one has resulted in a conviction, another is currently under review for recovery, and the final case has been referred to the Insolvency Service. Two new grant fraud allegations were reported during the year: one was detected and successfully prevented through our controls, while the other, involving fraudulent bank statements, has been referred to the Public Sector Fraud Authority's Enforcement Unit for further investigation and recovery.

In 2023-24, BDO conducted a counter-fraud audit, which produced several recommendations that Sport England is actively working to address. RSM will evaluate the effectiveness of the measures implemented to ensure they are robust and fully remediate the identified issues. The additional resources allocated to counter-fraud activities will enhance organisational focus and facilitate the resolution of any outstanding actions arising from the audit.

In addition to the BDO audit, Sport England conducted an informal benchmarking exercise with the Public Sector Fraud Authority (PSFA) in 2023. We are leveraging our annual counter-fraud action plan to fulfil the additional requirements of the PSFA, which are stronger than the requirements in some areas of the current counter-fraud government functional standards.

The ongoing transformational changes within Sport England, coupled with the implementation of new systems and technologies, present additional opportunities to strengthen our fraud management measures. By establishing system-based controls, Sport England will use defined appetite and tolerance levels, as well as materiality thresholds, to strengthen decision-making processes and improve fraud reporting.

## **Active Lives survey**

The Active Lives Adult and Children and Young People survey data is prepared and quality checked by Ipsos and further assurance is then coordinated by Sport England's Quantitative Research team. As well as the direct checking carried out by the Quantitative Research team, Sport England has also engaged physical activity data experts at the University of Southampton to further support the assurance process. Adult survey data is also shared with analysts at DCMS, the Office for Health Improvement and Disparities, and the Department for Transport, 24 hours in advance of publication. The Child survey is shared with DCMS and the Department for Education.

## **NAO Value for Money report and Public Accounts Committee report**

In 2021 the National Audit Office (NAO) undertook a study into the efforts of Sport England and DCMS to increase grassroots participation in sport and physical activity. The NAO published its report in July 2022 and made three recommendations.

Following the NAO's report, the Public Accounts Committee (PAC) raised a further three recommendations for us in January 2023. To ensure that all recommendations made by the NAO and the PAC were fully addressed within externally set timeframes, we developed a defined action plan. Regular monitoring of the action plan and reporting to both Board and DCMS on the implementation and progress of all actions is in place, with both design and effectiveness of the monitoring being rated as 'substantial' by an independent audit in July 2023 (see 'Independent assurance' section above).

## **External Audit**

The National Audit Office is Sport England's external auditor, as appointed under the terms of its Framework agreement with DCMS and as required by the Lottery Act (1993), to audit its lottery activities.

# Remuneration and Staff Report

## Remuneration report

### Remuneration policy

The Chairs and Remuneration Committee has responsibility to agree the terms and remuneration of the Chief Executive, and to be aware of and comment on the remuneration of the Executive Directors. The Chairs and Remuneration Committee's discretion to make decisions will always be in accordance with the Civil Service Pay Guidance published by HM Treasury and any additional guidance issued by the DCMS, our sponsor department.

The principles governing Sport England's remuneration policy are:

- To work within the financial constraints set by HM Treasury, DCMS and the Cabinet Office through the annual pay remit process.
- To effectively promote all aspects of Sport England's employee offer (pay, benefits, personal development, work-life balance, environment, and culture) to attract, engage and retain the right talent needed to deliver our strategic outcomes.
- To promote equal pay and operate a pay and reward system which is transparent, based on objective criteria and free from bias.

Sport England reports annually on our gender pay gap in line with legislation. This information is published on our website.

## Appointments

All appointments including Executive Directors are made in accordance with Sport England's stated Recruitment Guidance. Sport England's recruitment and selection process ensures practices are compliant with legislation, are based on merit and are fair and transparent.

The Executive Directors covered by this report hold appointments which are open-ended. Early termination, other than resignation, frustration, or dismissal for disciplinary or capability reasons would result in the individual receiving payments as set out in the Redundancy Policy. This Policy is not applicable to Non-Executive Board Members.

Non-Executive Board Members are appointed for a term of three years. Appointments are renewable for a further fixed term of up to three years based on a performance review, conducted as part of the Board Evaluation process. In the event of early termination, for whatever reason, there is no provision for compensation.

### Single total figure of remuneration for executive directors (subject to audit)

Executive director	Salary <sup>3</sup> (£'000)		Employer pension contributions to GPP (£'000)		Total (£'000)	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Tim Hollingsworth OBE	160-165	155-160	20	19	180-185	170-175
Jeanette Bain-Burnett	125-130	70-75 <sup>4</sup>	15	8	140-145	75-80
Lisa Dodd-Mayne	125-130	70-75 <sup>4</sup>	16	9	140-145	80-85
Lizzie Hanna	130-135	5-10 <sup>5</sup>	16	1	145-150	5-10
Nick Pontefract	140-145	135-140	17	16	155-160	150-155
Phil Smith	130-135	125-130	17	15	150-155	140-145
Ben Wilson	105-110 <sup>6</sup>	-	13	-	120-125	-
Mike Diaper OBE	-	0-5 <sup>7</sup>	-	1	-	5-10
Ali Donnelly	-	120-125 <sup>8</sup>	-	14	-	135-140
Charles Johnston	-	60-65 <sup>9</sup>	-	7	-	70-75
Lisa O'Keefe	-	5-10 <sup>10</sup>	-	-	-	5-10
Chris Perks	-	60-65 <sup>11</sup>	-	-	-	60-65

<sup>3</sup> No bonus payments were made in 2023-24 or 2022-23 and there were no benefits in kind in either year

<sup>4</sup> Full Year Equivalent was £120-125k

<sup>5</sup> Full Year Equivalent was £145-150k

<sup>6</sup> Became a director on 11 May 2023. Full Year Equivalent is £120-125k

<sup>7</sup> Full Year Equivalent was £115-120k

<sup>8</sup> Full Year Equivalent was £125-130k

<sup>9</sup> Full Year Equivalent was £150-155k

<sup>10</sup> Full Year Equivalent was £135-140k.

<sup>11</sup> Full Year Equivalent was £100-105k.

## Executive Directors' remuneration

### Salary

Salary includes gross salary, performance pay and any other allowances to the extent that they are subject to UK taxation. In 2023-24 the average salary increase was 4%.

### Bonus

No bonus payments were made in either 2023-24 or 2022-23. Executive Director contracts do not include a bonus clause (except in one legacy case).

### Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HMRC as a taxable emolument. There were no benefits in kind for either of the two years contained in this report.

### Pension benefits

Pension benefits are provided through two schemes.

The **London Pension Fund Authority Superannuation Scheme (LPFA)** was closed to new members on 30 September 2005. Benefits are based on final salary and accrue at a rate of 1/80th per year to 31 March 2008, 1/60th per year from 1 April 2008 until 31 March 2014, and on a career average salary basis from 1 April 2014. The value of pension benefits accrued during the year is calculated for members of the LPFA as the real increase in pension multiplied by 20, plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation, or any increase or decrease due to a transfer of pension rights. Lisa O'Keefe and Chris Perks were the only Executive Directors who are members of the LPFA scheme and both left in the prior year. Therefore, no pension benefits disclosure has been made in the current year as it is no longer needed.

The **Aviva Group Personal Pension Plan (GPPP)** opened for staff on 1 April 2012. Funds were transferred to the GPPP from the previous AEGON fund, which had commenced on 1 October 2005. Seven Executive Directors are members of the scheme. The value of pension benefits accrued during the year is the total pension contributions made by the employer.

Colleagues choose to make one of six levels of contribution into their personal pension fund. This scheme includes death in service life assurance cover of three times salary.

Since 2014, new staff are auto enrolled into the scheme. Colleagues may also choose to contribute to the GPPP through salary exchange arrangements.

Employee and employer contribution rates for the above schemes are detailed in note 19 of the Exchequer accounts and note 13 of the Lottery accounts.

## Board Members' remuneration (subject to audit)

Board Members' remuneration includes travel and subsistence and an allowance for attendance at Board and subcommittee meetings of £218 per day (2022-23: £218). There were no bonuses or benefit in kind payments made to Board Members during 2023-24 or 2022-23.

Board member	2023-24	2022-23
	£'000	£'000
Chris Boardman MBE	40-45	40-45
Azeem Akhtar	-	0-5
Rashmi Becker MBE	5-10	0-5
Mel Bound	0-5	0-5
Michelle Cracknell	0-5	0-5
Professor Ian Cumming OBE	-	0-5
Natalie Daniels	0-5	-
Jason Fergus	0-5	-
Christopher Grant	-	0-5
David Mahoney <sup>12</sup>	-	-
Elena Narozanski <sup>13</sup>	-	-
Tove Okunniwa	0-5	0-5
Karen Pickering MBE	-	0-5
Helene Raynsford	0-5	-

<sup>12</sup> The Board member has chosen to waive their attendance allowance and thus their remuneration has a nil value.

<sup>13</sup> Member joined or left during the year, but this had no impact on the above banding. Attendance allowance is paid for meetings attended plus expenses claimed during the financial year.



## Fair pay disclosures (audited)

We are required to declare the relationship between the remuneration of the highest-paid director in the organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The relationship between the remuneration of the highest paid director in Sport England and the median remuneration of staff, and the range of remuneration paid, based on annualised full-time equivalent figures at 31 March 2024, is shown below.

	2023-24	2022-23
Band of the highest paid Director's total remuneration (£'000)	160-165	155-160
Percentage change from the previous financial year for the highest paid	3.2%	1.9%
75th percentile of workforce total remuneration (£)	57,295	52,241
Pay ratio	2.8	3.0
50th percentile of workforce total remuneration (£)	45,360	43,233
Pay ratio	3.6	3.6
25th percentile of workforce total remuneration (£)	36,161	34,550
Pay ratio	4.5	4.5
Highest remuneration paid (£)	161,995	216,403
Lowest remuneration paid (£)	12,279	17,013
Average percentage change in remuneration from the previous financial year	5.7%	(7.8)%

No performance or bonus payments were made in the current or previous year. No employees received remuneration more than the highest paid Director in 2023-24 or 2022-23. No agency staff (2022-23: 1) received remuneration more than the highest paid Director in the current year but did in the prior year; the highest of these is disclosed in the table above.

Total remuneration includes salary. No non-consolidated, performance-related pay and benefits in kind were paid in the current or prior year. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pension. The increase in the average remuneration of 5.6% is primarily due to several internal promotions and higher-paid new joiners, along with a small increase in headcount. In line with the Civil Service Pay Remit guidance, the average salary increase was 3.3%; however, this was not applied equally and was targeted at the lowest quartiles within our pay bands.

## Exit packages (subject to audit)

There were no exit packages in both the current and prior years.

## Staff report

### Staff costs, numbers and composition

Staff costs (subject to audit)	2023-24	2022-23
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	14,862	13,180
Social security costs	1,715	1,567
Pension costs	2,757	2,718
<b>Total permanent and fixed staff</b>	<b>19,334</b>	<b>17,465</b>
Agency staff	1,254	1,698
<b>Total</b>	<b>20,588</b>	<b>19,163</b>
<b>Full-time equivalent staff numbers (subject to audit)</b>		
Permanent and fixed-term temporary staff	314	293
Agency staff	20	17
	<b>334</b>	<b>310</b>

The table above shows the consolidated position. The total permanent and fixed staff amount of £19.3m is made up of Exchequer £8.0m (41%) and Lottery £11.3m (59%).

We have a total of 314 full-time equivalent (2022-23: 293) permanent and fixed-term temporary staff and a total of 20 full-time equivalent (2022-23: 17) agency staff.

Within the above staff numbers there were 235 homeworkers (2022-23: 176), which represented 62.8% and 59.1% of the headcount in each of the respective years.

As at 31 March 2024, the senior Executive team comprised of three women and four men (2022-23: three women and three men). Women currently make up 58% of our workforce (2022-23: 56%).

Sickness absence during the year, excluding long-term sickness absence, averaged 3.5 days per person (2022-23: 3.0 days). There were eight colleagues who had long-term sickness of greater than 20 days (2022-23: nine colleagues).

Consultancy expenditure of £514,000 was incurred during the year (2022-23: £1,316,000).

## Trade Union Facility time

During 2023–24, Sport England had one employee who acted as a union official (full-time equivalent: 1). This employee spent 25% of their time on facility time, at a total cost of 0.1% of the total pay bill, excluding agency staff, of £19.4 million, based on a notional hourly cost. A notional hourly cost has been used to protect the privacy of the individual, who is easily identifiable.

## Off-payroll tax engagements

<b>Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater</b>	
No. of existing engagements as of 31 March 2024	12
<b>Of which:</b>	
No. that have existed for less than one year at time of reporting	10
No. that have existed for between one and two years at time of reporting	2
No. that have existed for between two and three years at time of reporting	-
No. that have existed for between three and four years at time of reporting	-
No. that have existed for four or more years at time of reporting	-

<b>All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater</b>	
No. of off-payroll workers engaged during the year ended 31 March 2024	29
<b>Of which no. of engagements that saw a change to IR35 status following review</b>	
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	17
Subject to off-payroll legislation and determined as out-of-scope of IR35	12
No. of engagements reassessed for compliance or assurance purposes during the year	-
Of which no. of engagements that saw a change to IR35 status following review	-

<b>For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility</b>	
No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	-
Total no. of individuals on payroll and off payroll that have been deemed “board members and/or senior officials with significant financial responsibility”, during the financial year. This figure should include both onpayroll and off-payroll engagements	17

## How we work

Since the publication of Uniting the Movement, the whole organisation has been working hard on delivering the strategy, and a key element of this was to revolutionise our culture and how we work. This journey began with the development of our organisational values, and these values continue to be at the centre of everything we do. Our four values are:

- **We are ambitious**
- **We are collaborative**
- **We are inclusive**
- **We are innovative**

Further change included the realignment of our Directorate structure in 2022 to ensure that we were fully able to support the delivery of our strategy, and more recently the launch of new leadership behaviours designed to reflect our values, and a more contemporary approach to leadership. Work to fully embed this continues.

This year we saw further evolution and experimented with service-led delivery. This has encouraged us to think differently about how we deliver our work, with a greater focus on our users and their needs. Our first multi-disciplinary service teams went live in 2023. These teams aimed to support Uniting the Movement by bringing colleagues together from across Sport England to focus on challenges and achieve the ambitions set out in our strategy. We have learnt a lot from this first foray into service delivery, and although we have found that not all aspects of this experiment are right for us, colleagues uniting around a smaller number of high-impact areas of delivery will have impact.

External economic forces continued to challenge us, and although turnover has dropped from a post-pandemic high, we have continued to see higher turnover than we would expect. While 64 new starters joined Sport England and 32 employees progressed internally, 41 employees chose to leave for new opportunities.

Despite churn within our workforce, employee engagement remains positive, and although we did not complete a full employee engagement survey this year, a comprehensive pulse survey was timed to coincide with the one-year anniversary of our SMARTER working roll-out. The pulse survey's results found that our approach to greater flexible working will add benefit to our attraction and retention strategies. The survey highlighted that 88% of Sport England employees answered positively to the statement 'Sport England's approach to flexible working enables me to achieve a better work/life balance' and 83% agreed with the statement 'Flexible working means that I'm more likely to stay working at Sport England'. Alongside flexibilities to increase our attractiveness as an employer, where possible we have reviewed our employee benefits, we have refreshed our employee assistance and cycle to work provision and introduced KUDOS, an employee benefits and recognition platform.

Our Diversity and Inclusion Action Plan entered its fourth year and was endorsed by external experts. Promoting equality, diversity and inclusion across Sport England remains a key priority. Our Plan can be found on our website.

## Leadership

As stated above, the importance of leadership continued to be a strong theme as we began to embed our Leadership Behaviours Model into our structures through a development programme for our leadership community. Many of our Strategic Leads have embraced this programme, which includes peer-to-peer action learning, coaching and 360-degree appraisals to measure impact.

The model and development programme aim to transform leadership at Sport England into a contemporary, flexible approach to leadership that reflects our values, and better suits the work we do and how we want to do it. The model sets out the behaviours we expect from our employees and shifts our style of leadership to be more empowering and more collaborative, focusing on creating the conditions for everyone to feel included and be successful.

## Progressing equality, diversity and inclusivity initiatives

Our equality, diversity and inclusion work is intrinsically linked to our strategy, and we launched a refreshed Diversity and Inclusion Action Plan in 2023 to transform our culture and approach to inclusivity. This Plan sets out our internal equality, diversity and inclusion ambitions for the period up until 2025. We have three equality ambitions:

- **Leadership creating and sponsoring a climate for change.**
- **Attracting, progressing and retaining diverse talent.**
- **Wider change through employee engagement and learning.**

As part of the wider Code for Sports Governance work, our Plan was independently reviewed by AKD Solutions to assess our inclusivity maturity. Although there are learning points, the feedback from the external assessors was positive, and as our Plan forms a key part of our emerging People Strategy, this provides significant assurance in our strategic approach to internal diversity. In particular, the assessor from Sheffield Hallam University stated: "From a data perspective this example is about as good as it gets."

This year some of the key activities within our Plan included our 'Building an Inclusive Workplace Programme'. As part of our Plan, we are a signatory to the Race at Work Charter, and one of this charter's seven actions to improve equality is a commitment at board level to zero tolerance of harassment and bullying. Alongside a reviewed Dignity at Work Policy, an organisation-wide programme aimed at raising our employees' awareness of respect and dignity in the workplace will be launched.

We continue to run positive action programmes to encourage the internal progression and retention of under-represented groups. For example, our Activate programme, now in its fifth year, was developed to help bridge the gap from lower grades to more senior roles in the organisation. A small group of employees also participated in the BITC's cross-organisational mentoring programme, which aims to support the skills and ambitions of our employees from culturally diverse communities.

Measuring the impact of the initiatives within our Plan is important to us, and our pulse survey was a key tool as this survey focused upon our employees' attitudes to inclusivity within Sport England. The survey found:

- 87% of employees responded positively to the statement 'Sport England promotes a culture of respect and inclusivity'.
- 88% of employees responded positively to the statement 'In my team it feels safe to express a different opinion'.

We've also set ambitious targets to increase our representation for Black, Asian and Minority Ethnic groups and for disability, where we are currently under-represented. These targets form part of our discussions at organisational and directorate level through our organisational KPIs. In 2023, to move us forward we asked an independent consultancy firm, Pearn Kandola, to review our approach to inclusive recruitment, including undertaking an adverse impact assessment of our recruitment statistics. With only some minor recommendations, much of our approach was found to reflect best practice.

Our Equality Networks continue to provide a valuable voice for Sport England employees. They contribute to key areas of work surrounding disability and long-term conditions, ethnic diversity, women and LGBTQ+. We also support Mental Health First Aiders and Movement Champions through our internal Wellbeing Group. Our positive relationship with our trade union, The Public and Commercial Services Union, continues.

## Looking forward to the year ahead

We'll continue to do everything we can to ensure our organisation is collaborative, ambitious, inclusive and innovative, and to help ensure we embed these values in everything that we do. We continue to develop our new 'People and Culture' strategy, setting out our people strategies for the future. And we continue to consider how best to organise ourselves to ensure that we are maximising the resources we have and that the skills and talent of our people are best placed to deliver our Business Plan.

# Parliamentary Accountability and Audit Report

## Complaints

Sport England received 176 complaints in 2023-24. 28 complaints were about the actions of Sport England, while the majority of the rest were about other sporting organisations, including those in which we invest. We continue to monitor trends and themes to determine if action can be taken to address issues raised, and to reduce the number of complaints received.

## Regularity of expenditure (subject to audit)

Sport England is required to report on the regularity of expenditure, including losses and special payments in line with managing public money requirements.

## Losses (subject to audit)

	Cases	Amount
	No.	£'000
<b>2023-24</b>	<b>5</b>	<b>42</b>
<b>2022-23</b>	<b>1</b>	<b>1,620</b>

There were no individual losses incurred in excess of £300,000 in 2023-24.

An intangible asset with an original cost of £1,620,000 (Net Book Value £1,356,000) was written off during 2022-23. This is the result of the decision taken to terminate the Investment Management System (IMS) project. This is reported in the Grant-in Aid Accounts in the Statement of comprehensive net expenditure and in notes 7 and 11.

## Special payments (subject to audit)

	Cases	Amount
	No.	£'000
2023-24	1	3
2022-23	1	4

There were no individual special payments in excess of £300,000 in 2023-24 (2022-23 – none).

## Remote contingent liabilities (subject to audit)

There are no material remote contingent liabilities (2022-23 – nil). Please see note 20 of the Exchequer accounts and note 14 of the Lottery accounts for information about contingent liabilities.



**Tim Hollingsworth OBE**

Chief Executive and Accounting Officer – The English Sports Council

03 February 2025



# **The English Sports Council Grant-in-Aid Consolidated Accounts for the Year ended 31 March 2024**

**The Audit report of the Comptroller and Auditor General to the members of the Sport England Council and the Secretary of State for Culture, Media and Sport**

## **Opinion on financial statements**

I have audited the financial statements of the English Sports Council Grant-in-Aid and its Group for the year ended 31 March 2024 under the Royal Charter of the English Sports Council.

The financial statements comprise the English Sports Council Grant-in-Aid and its Group's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the English Sports Council and its Group's affairs as at 31 March 2024 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Royal Charter of the English Sports Council and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the English Sports Council and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the English Sports Council and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the English Sports Council and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the English Sports Council and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other information

The other information comprises information included in the Performance Report and Accountability Report, but does not include the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Royal Charter of the English Sports Council.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Royal Charter of the English Sports Council; and
- the information given in the Performance and Accountability reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the English Sports Council and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the English Sports Council and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the English Sports Council and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Royal Charter of the English Sports Council;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Royal Charter of the English Sports Council; and
- assessing the English Sports Council and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the English Sports Council and its Group will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit and express an opinion on the financial statements in accordance with the Royal Charter of the English Sports Council.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud, is detailed below.

## Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the English Sports Council and its Group's accounting policies;
- inquired of management, the English Sports Council and its Group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the English Sports Council and its Group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations, including the English Sports Council and its Group's controls relating to the English Sports Council's compliance with the Royal Charter of the English Sports Council and Managing Public Money.
- inquired of management, the English Sports Council and its Group's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team, including significant component audit teams, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the English Sports Council and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the English Sports Council and its Group's framework of authority and other legal and regulatory frameworks in which the English Sports Council and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the English Sports Council and its Group.

The key laws and regulations I considered in this context included the Royal Charter of the English Sports Council, Managing Public Money, employment law and pensions legislation.

I considered the controls in place at the English Sports Council Grant-in-Aid to ensure regularity of grant expenditure.

## **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit, Risk & Governance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Council and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members, including significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.



## Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## Report

I have no observations to make on these financial statements.

**Gareth Davies**

Comptroller and Auditor General

**Date**

05 February 2025

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

# The English Sports Council Grant-in-Aid Financial statements for the year ended 31 March 2024

## Statement of comprehensive net expenditure for the year ended 31 March 2024

	Note	GROUP		COUNCIL	
		2023-24	Restated 2022-23	2023-24	2022-23
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Other income	2	813	5,451	656	5,442
		<b>813</b>	5,451	<b>656</b>	5,442
<b>EXPENDITURE</b>					
Grants	3	(214,323)	(131,756)	(214,312)	(131,726)
Staff costs	4	(8,462)	(7,395)	(8,462)	(7,395)
National sports centres	5	(4,549)	(6,158)	(4,549)	(6,158)
Sports development costs	6	(4,297)	(3,290)	(4,297)	(3,290)
Operating costs	7,28	(8,333)	(9,951)	(3,691)	(6,700)
Assets gifted to subsidiaries	9	-	-	(4,927)	(1,459)
		<b>(239,964)</b>	(158,550)	<b>(240,238)</b>	(156,728)
<b>OTHER</b>					
Net interest on the net defined benefit obligation	19	21	(37)	21	(37)
		<b>21</b>	(37)	<b>21</b>	(37)
<b>NET OPERATING EXPENDITURE BEFORE INTEREST, DIVIDENDS &amp; TAX</b>		<b>(239,130)</b>	(153,136)	<b>(239,561)</b>	(151,323)
Interest receivable		744	295	737	291
Financial asset income	12	24	23	-	-
Finance costs		(10)	(4)	(10)	(4)
Taxation		(229)	(54)	(183)	(54)
<b>NET OPERATING EXPENDITURE FOR THE YEAR</b>		<b>(238,601)</b>	(152,876)	<b>(239,017)</b>	(151,090)

## Statement of comprehensive net expenditure for the year ended 31 March 2024 (continued)

	Note	GROUP		COUNCIL	
		2023-24	Restated 2022-23	2023-24	2022-23
		£'000	£'000	£'000	£'000
<b>OTHER COMPREHENSIVE INCOME/(EXPENDITURE)</b>					
Surplus owing to revaluation of properties	9, 28	<b>2,746</b>	8,911	-	-
Net (gain)/loss on financial assets	12	<b>64</b>	(52)	-	-
Re-measurement of defined benefit liability	19	<b>(2,299)</b>	15,385	<b>(2,299)</b>	15,385
<b>TOTAL OTHER NET COMPREHENSIVE INCOME / (EXPENDITURE)</b>		<b>511</b>	24,244	<b>(2,299)</b>	15,385
<b>Total Comprehensive Expenditure for the Year</b>		<b>(238,090)</b>	(128,632)	<b>(241,316)</b>	(135,705)

A restatement of the prior year has been performed, as a new valuation for the NSC estate was obtained for the property values as at 31 March 2023. Please refer to note 28.

All income and expenditure relate to continuing activities.

The notes on pages 117-158 form part of these accounts.

## Statement of financial position as at 31 March 2024

	Note	GROUP		COUNCIL	
		2023-24	Restated 2022-23	2023-24	2022-23
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Property, plant and equipment	9, 28	<b>125,590</b>	122,579	<b>236</b>	298
Right-of-use assets	10	<b>324</b>	78	<b>324</b>	78
Intangible assets	11	<b>1,718</b>	463	<b>1,672</b>	371
Financial assets	12	<b>878</b>	814	<b>-</b>	-
		<b>128,510</b>	123,934	<b>2,232</b>	747
<b>CURRENT ASSETS</b>					
Trade and other receivables	13	<b>6,532</b>	13,604	<b>6,265</b>	13,324
Cash and cash equivalents	14	<b>19,038</b>	6,565	<b>18,588</b>	5,985
		<b>25,570</b>	20,169	<b>24,853</b>	19,309
<b>TOTAL ASSETS</b>		<b>154,080</b>	144,103	<b>27,085</b>	20,056
<b>CURRENT LIABILITIES</b>					
Grants outstanding	15	<b>(140,520)</b>	(87,324)	<b>(140,520)</b>	(87,324)
Trade and other payables	16	<b>(8,006)</b>	(7,137)	<b>(8,212)</b>	(7,519)
Lease liabilities	17	<b>(50)</b>	(55)	<b>(50)</b>	(55)
Provisions	18	<b>(100)</b>	(554)	<b>-</b>	-
		<b>(148,676)</b>	(95,070)	<b>(148,782)</b>	(94,898)
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	17	<b>(289)</b>	(37)	<b>(289)</b>	(37)
Net pension liabilities	19	<b>(3,047)</b>	(822)	<b>(3,047)</b>	(822)
		<b>(3,336)</b>	(859)	<b>(3,336)</b>	(859)
<b>TOTAL LIABILITIES</b>		<b>(152,012)</b>	(95,929)	<b>(152,118)</b>	(95,757)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>2,068</b>	48,174	<b>(125,033)</b>	(75,701)
<b>TAXPAYERS' EQUITY</b>					
Reserves		<b>2,068</b>	48,174	<b>(125,033)</b>	(75,701)
		<b>2,068</b>	48,174	<b>(125,033)</b>	(75,701)

A restatement of the prior year has been performed, as a new valuation for the NSC estate was obtained for the property values as at 31 March 2023. Please refer to note 28.



**Tim Hollingsworth, OBE**

Chief Executive and Accounting Officer

The English Sports Council

03 February 2025



**Michelle Cracknell**

Audit, Risk and Governance Committee Chair

The English Sports Council

03 February 2025

The notes on pages 117–158 form part of these accounts.

## Statement of cash flows for the year ended 31 March 2024

	Note	GROUP		COUNCIL	
		2023-24 £'000	2022-23 £'000	2023-24 £'000	2022-23 £'000
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	23	<b>(172,836)</b>	(131,800)	<b>(172,682)</b>	(131,780)
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of non-current assets	9,10	<b>(5,309)</b>	(1,541)	<b>(5,309)</b>	(1,541)
Purchase of intangible fixed assets	11	<b>(1,390)</b>	(685)	<b>(1,390)</b>	(685)
Dividends		<b>24</b>	23	<b>-</b>	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(6,675)</b>	(2,203)	<b>(6,699)</b>	(2,226)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Grant in Aid - resource		<b>109,931</b>	80,302	<b>109,931</b>	80,302
Grant in Aid - capital		<b>82,053</b>	33,269	<b>82,053</b>	33,269
<b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>		<b>191,984</b>	113,571	<b>191,984</b>	113,571
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>12,473</b>	(20,432)	<b>12,603</b>	(20,435)
Cash and cash equivalents at 1 April		<b>6,565</b>	26,997	<b>5,985</b>	26,420
Cash and cash equivalents at 31 March		<b>19,038</b>	6,565	<b>18,588</b>	5,985

All cash and cash equivalents are held in commercial banks.

The notes on pages 117-158 form part of these accounts.

## Statement of changes in taxpayers' equity – Group for the year ended 31 March 2024

		Revaluation Reserve	Pension Reserve	General Reserve	Total
	Notes	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2022 (restated)</b>	28	51,469	(16,203)	27,969	63,235
Net operating expenditure for the year		-	-	(152,876)	(152,876)
Surplus/(deficit) owing to revaluation of properties	28	8,911	-	-	8,911
Amortisation of revaluation reserve to General Reserve	28	(1,336)	-	1,336	-
Re-measurement of defined benefit liability	19	-	15,385	-	15,385
Transfer between reserves		(3)	(4)	7	-
Net (loss) on financial assets		-	-	(52)	(52)
Grant-in-Aid received – resource		-	-	80,302	80,302
Grant-in-Aid received – capital		-	-	33,269	33,269
<b>Balance at 31 March 2023</b>	28	<b>59,041</b>	<b>(822)</b>	<b>(10,045)</b>	<b>48,174</b>
Net operating expenditure for the year		-	-	(238,601)	(238,601)
Surplus owing to revaluation of properties		2,746	-	-	2,746
Amortisation of revaluation reserve to General Reserve		(1,705)	-	1,705	-
Remeasurement of defined benefit obligation	19	-	(2,299)	-	(2,299)
Transfer between reserves		-	74	(74)	-
Net gain on financial assets		-	-	64	64
Grant-in-Aid received – resource		-	-	109,931	109,931
Grant-in-Aid received – capital		-	-	82,053	82,053
<b>Balance at 31 March 2024</b>		<b>60,082</b>	<b>(3,047)</b>	<b>(54,967)</b>	<b>2,068</b>

A restatement of the prior year has been performed, as a new valuation for the NSC estate was obtained for the property values as at 31 March 2023. Please refer to note 28.

The notes on pages 117–158 form part of these accounts.

## Statement of changes in taxpayers' equity – Council for the year ended 31 March 2024

	Notes	Pension Reserve £'000	General Reserve £'000	Total £'000
<b>Balance at 1 April 2022</b>		(16,203)	(37,364)	(53,567)
Net operating expenditure for the year		-	(151,090)	(151,090)
Remeasurement of defined benefit liability	19	15,385	-	15,385
Transfer between reserves		(4)	4	-
Grant-in-Aid received – resource		-	80,302	80,302
Grant-in-Aid received – capital		-	33,269	33,269
<b>Balance at 31 March 2023</b>		<b>(822)</b>	<b>(74,879)</b>	<b>(75,701)</b>
<b>Changes in taxpayers' equity for 2024</b>				
Net operating expenditure for the year		-	(239,017)	(239,017)
Remeasurement of defined benefit liability	19	(2,299)	-	(2,299)
Transfer between reserves		74	(74)	-
Grant-in-Aid received – resource		-	109,931	109,931
Grant-in-Aid received – capital		-	82,053	82,053
<b>Balance at 31 March 2024</b>		<b>(3,047)</b>	<b>(121,986)</b>	<b>(125,033)</b>

The notes on pages 117-158 form part of these accounts.



# Notes to the accounts

## 1 Statement of accounting policies

These accounts have been prepared in accordance with Article 14 of the Royal Charter of The English Sports Council (Sport England) account directions issued thereunder by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury and the 2023–24 Government Financial Reporting Manual (FReM) issued by HM Treasury.

A copy of the account directions can be obtained from Sport England at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate and which gives a true and fair view has been selected.

The particular policies adopted by Sport England, as set out and described below, have been applied consistently to all periods presented in these accounts.

### 1.1 Accounting convention

The accounts have been prepared on a going concern basis under the historical cost convention modified by the revaluation of assets and liabilities to fair value.

Without limiting the information given, the accounts of Sport England Grant-in-Aid (Exchequer) meet the requirements of the International Accounting Standards issued or adopted by the International Accounting Standards Board and the HM Treasury guidance on accounts of Non-Departmental Public Bodies, as set out in the FReM, in so far as those requirements are appropriate to Sport England.

## 1.2 Going concern

Sport England continues to adopt the going concern concept in the preparation of Sport England's Exchequer accounts.

The Group and Council's Statement of financial position reflects the inclusion of liabilities falling due in future years, which, to the extent that they are not to be met from Sport England's other sources of income, may only be met by future grants or Grant-in-Aid from Sport England's sponsoring department, the Department for Culture, Media and Sport (DCMS). Under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

Sport England has an Exchequer settlement agreed with DCMS to 31 March 2024. There is expected to be no change to the continued provision of services by Sport England.

## 1.3 Basis of consolidation

The Group accounts consolidate the accounts of Sport England Exchequer, The Sports Council Trust Company (a Charity), and English Sports Development Trust Limited. Details of the Group's investment in subsidiary undertakings are contained in note 12.

The accounts of The Sports Council Trust Company and English Sports Development Trust Limited have been included in the consolidation for all periods presented in these accounts, on the basis that Sport England holds controlling voting rights in these concerns and that it exercised significant management and financial control over their affairs. All the accounts consolidated are made up to 31 March 2024.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings are included in the Statement of comprehensive net expenditure from the date of acquisition. Intra-group transactions are eliminated fully on consolidation.

No acquisition or disposal of subsidiary undertakings occurred in the year.

Separate accounts have been prepared for Sport England's National Lottery Distribution Fund (Lottery) activities (pages 159-170), in accordance with the Lottery Accounts Direction issued by the Secretary of State for Culture, Media and Sport, which follow different accounting policies.

## 1.4 Income recognition

All income, except for government grants and financial asset income referred to below, is accounted for on an accruals basis, net of VAT. HM Treasury has judged that Grant-in-Aid and grants from our sponsoring body, DCMS, should be recognised on a receipts basis as financing and therefore credited directly to reserves as opposed to income.

Government grants, including Lottery funding, in respect of capital and revenue expenditure are credited to the Statement of Comprehensive Net Expenditure in the year in which the entitlement to the monies arise, in accordance with the application of IAS 20 recommended by the FReM.

Financial asset income is recognised on a receipts basis, due to the timing of statements from the investment fund. The accounting treatment adopted materially matches income accrued.

## 1.5 Grants

Grant awards are recognised as expenditure and, if unpaid, as liabilities if a constructive obligation exists.

For a constructive obligation to exist, the award commitment must be communicated directly to the award recipient, and Sport England has the authority to commit the expenditure. Grant awards are only recognised in the year of funding as the Grant-in-Aid accounts cannot guarantee funding in future years.

Grant awards which are funded from future years' funding are shown as contingent liabilities (shown as future commitments – note 15).

## 1.6 Other expenditure

Staff costs are recognised as an expense at the time that the organisation is obligated to pay them and include the cost of any recorded untaken leave at the end of the financial year.

Costs relating to the National sports centres, Sports development and Operating costs are expensed in the year in which they are incurred.

Sport England is required to apportion expenditure between its Exchequer and Lottery activities. The apportionment of expenditure is calculated using metrics derived from the organisation's annual business planning process, unless the costs are considered

to be entirely Exchequer or Lottery-related. The resulting cost allocations are subject to annual review by the Executive Team.

The current methodology calculates charges on a full cost recovery basis in accordance with HM Treasury's Managing Public Money. The expenditure apportioned under this methodology to Sport England Lottery activities is reimbursed to the Exchequer account and vice versa – note 8.

## **1.7 Assets gifted to subsidiaries**

Assets gifted to subsidiaries are expensed in the year in which they are gifted.

## **1.8 Property, plant and equipment**

All property, plant and equipment, other than IT equipment, is owned by The Sports Council Trust Company (SCTC).

Asset additions were funded by a Lottery grant from the Sport England Lottery Fund and capital works paid for by Sport England Exchequer and gifted to SCTC.

### **Land and buildings**

Valuations are carried out by external experts. Full valuations of land and buildings are carried out on a quinquennial basis. Between full valuations, an annual indexation is applied. The last full valuation of buildings was carried out as at 31 March 2024.

Valuations are based on Depreciated Replacement Cost (DRC) for specialist properties, and open market value for other properties.

The DRC basis generates an open market valuation of the land. The valuation of each building is derived through an estimate being made of the gross current replacement cost of the buildings and other site works, from which deductions are then made to allow for age, condition and obsolescence.

Any assets under construction are valued at the costs incurred to date and are not depreciated.

## Artworks and antiques

Artworks and antiques are valued by external experts. The last valuation was carried out as at 31 March 2024. The valuations are derived with reference to the retail market (at the valuation date) and the probable cost of replacing the items when compared with items in a similar condition.

## Equipment and leasehold improvements

Other property, plant and equipment has not been re-valued, as fair value is considered not to be materially different to depreciated historical cost.

The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are normally expensed in year, with the exception of grouped assets. Grouped assets are assets which, individually, are less than £1,000, however together form a single collective asset.

## Depreciation

Depreciation is provided on all property, plant and equipment, except freehold land and artworks and antiques, at rates calculated to write off the cost or valuation, less estimated residual value evenly over its expected useful life.

Land	Not depreciated
Buildings	Expected useful life, up to a maximum of 65 years
Bund	40 years
Leasehold improvements	Expected term of lease
Equipment	5 years
IT equipment	3 years
Art works and antiques	Not depreciated
Assets under construction	Not depreciated until the asset is brought into use

No depreciation is applied in the year of acquisition or construction. A full year's depreciation is charged in the year of disposal.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale and the carrying amount of the asset and is recognised in the Statement of Comprehensive Net Expenditure for the period.

## 1.9 Leases

Leases are accounted for under IFRS 16 since its implementation from 1 April 2019.

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2019.

The Group assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. The Group reassesses this if there are significant events or changes in circumstances that were not anticipated.

### **Right of use assets**

The Group recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability (being the net present value of future lease commitments) adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property, plant and equipment assets.

## **Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HMT. This lease liability will be reduced as payments are incurred, with the associated interest being charged as finance costs to the Statement of Comprehensive Net Expenditure.

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the group's estimates of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

For short term (lease terms of 12 months or less) and low value leases (such as personal computers and office furniture), the Group opts to take the exemption permitted by the FReM and IFRS 16 and will continue to account for these through Property or other relevant costs.

The Group currently has one current IFRS 16-assessed lease at Loughborough University, which has a break clause in 2030. The lease for the former head office at 21 Bloomsbury Street, London expired in November 2022 and a provision has been made for dilapidations as detailed in note 18.

## **1.10 Intangible assets**

Intangible assets predominately consist of software licenses, as well as the development and use of products to help deliver and administer the grant programmes run by the Group.

Software is amortised on a straight-line basis over three years. The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are normally expensed in year, with the exception of grouped assets. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost.

## **1.11 Financial assets**

Subsequent to purchase, listed stocks and shares are recognised at fair value at each reporting date under IFRS 9, based on reference to the market in which they exist. These assets are classified as available for sale assets; however, there is no immediate intention to sell.

## **1.12 Trade and other receivables**

Trade and other receivables are recognised at fair value, less a provision for any specific impairment.

A provision for the impairment of trade receivables is established when there is objective evidence that Sport England will not be able to collect all amounts due in accordance with the original terms of the receivables.

## **1.13 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with commercial banks. The carrying amount of these assets approximates their fair value.

## **1.14 Trade and other payables**

Trade and other payables are recognised at fair value.

## **1.15 Dilapidations**

Provision for the probable cost of dilapidations at the date of the expected termination of the lease is made as detailed in note 1.9. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## **1.16 Taxation**

### **VAT**

Sport England is involved in business and non-business activity for VAT purposes and operates a partial recovery methodology. Sport England recovers all VAT incurred on the business activity of running the national sports centres and on project and other costs which are recharged to partners. In the normal course of business, VAT is charged at the standard rate as and where appropriate.



## Corporation Tax

Sport England pays corporation tax on bank interest received net of bank charges. In the case of the subsidiary companies, corporation tax is payable on income derived from trading activities.

## 1.17 Pensions

### Defined contribution scheme

Payments are recognised as an expense when employees have rendered service entitling them to the contributions.

### Defined benefit scheme

A defined benefit scheme is a post-employment benefit plan. Sport England's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

The pension liabilities and assets of the defined benefit scheme are recorded in accordance with IAS 19 (2011), which measures the value of pension assets and liabilities at the Statement of Financial Position date, and determines the benefits accrued in the year and the interest on the scheme's assets and liabilities. This valuation is undertaken by an independent actuary.

The value of the benefits accrued during the year (current service costs), past service costs, curtailments and settlements are recognised in the Statement of Comprehensive Net Expenditure within staff costs. The net interest expense on the net defined liability is shown in the Statement of Comprehensive Net Expenditure.

The scheme's administration expenses are shown in the Statement of Comprehensive Net Expenditure within operating costs. Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses and returns on plan assets (in excess of interest), is recognised immediately in the Statement of Financial Position and in Other comprehensive income.

The resulting pension liability or asset is shown in the Statement of Financial Position and is apportioned between Exchequer and Lottery activities, based on the combination of the historic rate of 40% Exchequer and 60% Lottery, and the current year corporate average cost allocation, as determined by the methodology in note 1.6.

## 1.18 Accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenditure. Actual results may differ from the estimates used.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates are made in relation to:

- the value of the group's property, plant and equipment, right of use assets and intangible assets are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, legal or other limits on the use of an asset;
- the present value of the net pension liability detailed in note 19, which depends on a number of actuarially derived assumptions about inflation, salary and pension trends, discount factors, mortality rates, and long-term rate of return on the assets (equities, bonds and property) underlying the relevant pension funds. The estimated liability is subject to fluctuation and uncertainty, due to changes in these assumptions over time and differences between assumptions and actual events.

A small change in assumptions can have a significant impact on the valuation of the liabilities.

## 1.19 Reporting standards issued but not yet effective

There is one reporting standard issued but not yet effective: IFRS 17 (Insurance Contracts). IFRS 17 (Insurance Contracts) was issued in May 2017, replacing IFRS 4 (Insurance Contracts). The effective date of IFRS 17 in the public sector is 1 April 2025. IFRS 17 requires that insurance liabilities be measured at the present value of future insurance cash flows, resulting in more uniform measurements and presentation for all insurance contracts. Management has assessed the likely effect of the new standard and has concluded that there are no material assets or liabilities recognised as insurance contracts in Sport England and therefore this standard will have no impact on the English Sports Council's financial statements.

## 2 Other income

	<b>GROUP</b>		<b>COUNCIL</b>	
	<b>2023-24</b>	2022-23	<b>2023-24</b>	2022-23
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
External funding income	<b>129</b>	195	<b>129</b>	195
Active Lives survey recharges	<b>234</b>	193	<b>234</b>	193
Asset hire recharges	<b>187</b>	823	<b>187</b>	823
Other income <sup>1</sup>	<b>263</b>	4,240	<b>106</b>	4,231
	<b>813</b>	5,451	<b>656</b>	5,442

Other income is shown net of income apportioned to the Sport England Lottery Fund. Note 8 details the gross income and the recharge to the Lottery accounts.

<sup>1</sup>Other income in 2022-23 includes £3.4 million for administering the loan element of the Sports Winter Survival Package recharged to DCMS and £0.9 million of IMS impairment to Lottery (see also Note 11).

### 3 Grants

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
<b>Grants</b>				
Places	<b>88,860</b>	75,851	<b>88,860</b>	75,851
Partners	<b>49,626</b>	45,575	<b>49,626</b>	45,575
Open funds	<b>8,151</b>	3,435	<b>8,151</b>	3,435
Decommitments	<b>(538)</b>	(2,639)	<b>(538)</b>	(2,639)
Other	<b>68,483</b>	10,254	<b>68,472</b>	10,224
	<b>214,582</b>	132,476	<b>214,571</b>	132,446
Grant recoveries	<b>(259)</b>	(720)	<b>(259)</b>	(720)
<b>TOTAL</b>	<b>214,323</b>	131,756	<b>214,312</b>	131,726

Included in the above are the following amounts relating to Capital Grants:

<b>Capital Grants</b>				
Capital/Infrastructure	<b>134,018</b>	81,545	<b>134,018</b>	81,545
<b>Total</b>	<b>134,018</b>	81,545	<b>134,018</b>	81,545

Other grants primarily comprise a one-off programme in the current year to support utility costs (£20.3m) and capital projects to drive energy sustainability (£40.7m) under the Swimming Pool Support Fund.

The categories for 2024 reflect the main areas of grant expenditure which support our strategic approach to transforming lives and communities (See Performance Report on pages 9-70).

## 4 Staff costs

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
<b>Permanent and fixed-term staff</b>				
Wages and salaries	<b>6,159</b>	5,089	<b>6,159</b>	5,089
Social security costs	<b>755</b>	649	<b>755</b>	649
Pension costs	<b>1,104</b>	1,041	<b>1,104</b>	1,041
<b>Total</b>	<b>8,018</b>	6,779	<b>8,018</b>	6,779
Agency staff	<b>444</b>	616	<b>444</b>	616
<b>Total staff costs</b>	<b>8,462</b>	7,395	<b>8,462</b>	7,395

Further details can be found in the Remuneration Report.

## 5 National sports centres

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£000	£000	£000	£000
<b>Income</b>	<b>8,546</b>	7,734	<b>8,546</b>	7,734
<b>Expenditure</b>				
Centre operator expenditure	<b>10,772</b>	10,699	<b>10,772</b>	10,699
Other expenditure	<b>2,323</b>	3,193	<b>2,323</b>	3,193
<b>Total expenditure</b>	<b>13,095</b>	13,892	<b>13,095</b>	13,892
<b>Net expenditure</b>	<b>4,549</b>	6,158	<b>4,549</b>	6,158

The Sports Council Trust Company (a Sport England subsidiary) owns the national sports centres: Bisham Abbey, Lilleshall, Plas y Brenin and the Redgrave and Pinsent Rowing Lake. The value of the assets can be seen in Note 9.1 under the categories Land, buildings and bund. Sport England manages and funds the operational contracts of the national sports centres on behalf of The Sports Council Trust Company.

## 6 Sports development costs

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
<b>Grant programme support costs</b>				
Partnerships	577	96	577	96
Place	622	379	622	379
Policy & Integrity	139	68	139	68
	<b>1,338</b>	543	<b>1,338</b>	543
<b>Other sports development costs</b>				
Facilities expertise and support	424	464	424	464
Irrecoverable VAT	322	206	322	206
Legal	7	112	7	112
Measurement surveys	1,163	1,022	1,163	1,022
Other sports development costs	(125)	13	(125)	13
Planning data and guidance	871	722	871	722
Research	189	136	189	136
Travel and subsistence	108	72	108	72
	<b>2,959</b>	2,747	<b>2,959</b>	2,747
<b>TOTAL</b>	<b>4,297</b>	3,290	<b>4,297</b>	3,290

Sports development costs is expenditure which aims to promote the development of sport, thereby creating increased opportunities to take part in sport or physical activity for the local community.

Costs are shown net of costs apportioned to the Sport England Lottery Fund. Note 8 details the gross costs and the recharge to the Lottery accounts.

## 7 Operating costs

	GROUP		COUNCIL	
	2023-24	Restated 2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
Auditor's remuneration <sup>1</sup>	111	93	71	71
Communications	86	106	86	106
Depreciation <sup>2</sup>	4,089	4,637	286	1,252
Impairment of non-current assets <sup>3</sup>	842	1,220	-	1,356
Loss on disposal of non-current assets	1	-	1	-
Grant outsourcing costs	724	1,180	724	1,180
Audit and governance	31	16	31	16
Irrecoverable VAT	340	623	340	623
IT infrastructure and system costs	994	694	994	694
Legal	539	913	518	905
Other costs	40	(192)	40	(191)
Other staff costs	127	146	127	146
Property costs <sup>2</sup>	(27)	162	40	191
Other property costs	-	1	-	1
Staff training	106	67	106	67
Travel and subsistence	156	176	153	174
Defined benefit scheme admin charges	13	14	13	14
Strategy	161	95	161	95
<b>TOTAL</b>	<b>8,333</b>	<b>9,951</b>	<b>3,691</b>	<b>6,700</b>

The valuation of buildings has been restated in the prior year which has also changed the depreciation and impairment charges (see note 28).

Operating costs are shown net of costs apportioned to the Sport England Lottery Fund. Note 8 details the gross costs and the recharge to the Lottery accounts, which includes provisions made in the year.

<sup>1</sup> No other payment was made to the auditors for non-audit work. The Group audit fees for the year were £111,000 (2022-23: £93,000); the Council audit fees for the year were £70,500 (2022-23: £71,000). Included within the Council for 2024 is £5,500 relating to the fees of English Sports Development Trust Limited (2022-23: £5,000), which were paid on its behalf by Sport England. All audit fees are excluding VAT.

<sup>2</sup> Includes the impact of IFRS 16 Leases.

<sup>3</sup> See notes 9 and 11 for further information relating to Impairment of non-current assets.

## 8.1 Net costs apportioned from Exchequer to Lottery – Group

	2023-24	Recharged to	Recharged from	2023-24	2022-23	Recharged to	Recharged from	2022-23
	Gross	Lottery	Lottery	Net	Gross	Lottery	Lottery	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other income	(1,367)	554	-	(813)	(6,039)	588	-	(5,451)
Staff costs	20,588	(12,126)	-	8,462	19,048	(11,653)	-	7,395
Sports development	9,693	(5,652)	256	4,297	6,605	(3,603)	288	3,290
Operating costs (restated)	12,875	(4,542)	-	8,333	14,242	(4,291)	-	9,951
<b>Total</b>	<b>41,789</b>	<b>(21,766)</b>	<b>256</b>	<b>20,279</b>	<b>33,856</b>	<b>(18,959)</b>	<b>288</b>	<b>15,185</b>

## 8.2 Net costs apportioned from Exchequer to Lottery – Council

	2023-24	Recharged to	Recharged from	2023-24	2022-23	Recharged to	Recharged from	2022-23
	Gross	Lottery	Lottery	Net	Gross	Lottery	Lottery	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other income	(1,210)	554	-	(656)	(6,030)	588	-	(5,442)
Staff costs	20,588	(12,126)	-	8,462	19,048	(11,653)	-	7,395
Sports development	9,693	(5,652)	256	4,297	6,605	(3,603)	288	3,290
Operating costs	8,233	(4,542)	-	3,691	10,991	(4,291)	-	6,700
<b>Total</b>	<b>37,304</b>	<b>(21,766)</b>	<b>256</b>	<b>15,794</b>	<b>30,614</b>	<b>(18,959)</b>	<b>288</b>	<b>11,943</b>

The valuation of buildings has been restated in the prior year, which has also changed the depreciation and impairment charges (see note 28).



## 9.1 Property, plant and equipment – Group

	Land £'000	Buildings and Bund £'000	Leasehold Improv- em't £'000	Equipm't £'000	IT Equipm't £'000	Artworks and Antiques £'000	Assets under Constr- uction £'000	Total £'000
<b>Cost</b>								
<b>At 1 April 2022 (restated)</b>	<b>20,569</b>	<b>131,002</b>	<b>1,170</b>	<b>2,557</b>	<b>1,430</b>	<b>865</b>	<b>-</b>	<b>157,593</b>
Additions	-	1,206	-	15	83	-	238	<b>1,542</b>
Disposals	-	-	(974)	(21)	(28)	-	-	<b>(1,023)</b>
Revaluation	(347)	9,259	-	-	-	-	-	<b>8,912</b>
Impairment reversal	-	136	-	-	-	-	-	<b>136</b>
<b>At 31 March 2023</b>	<b>20,222</b>	<b>141,603</b>	<b>196</b>	<b>2,551</b>	<b>1,485</b>	<b>865</b>	<b>238</b>	<b>167,160</b>
Additions	-	4,442	-	474	108	-	12	<b>5,036</b>
Disposals	3	(1)	(1)	(2)	(95)	-	-	<b>(96)</b>
Revaluation	(739)	3,483	-	-	-	-	-	<b>2,744</b>
Impairment charge	-	(840)	-	-	-	(2)	-	<b>(842)</b>
Reclassification	-	(61)	-	299	-	-	(238)	<b>-</b>
<b>At 31 March 2024</b>	<b>19,486</b>	<b>148,626</b>	<b>195</b>	<b>3,322</b>	<b>1,498</b>	<b>863</b>	<b>12</b>	<b>174,002</b>
<b>Depreciation</b>								
<b>At 1 April 2022 (restated)</b>	<b>-</b>	<b>37,572</b>	<b>1,080</b>	<b>2,334</b>	<b>1,081</b>	<b>-</b>	<b>-</b>	<b>42,067</b>
Charge for year	-	3,232	43	85	177	-	-	<b>3,537</b>
Disposals	-	-	(974)	(21)	(28)	-	-	<b>(1,023)</b>
<b>At 31 March 2023</b>	<b>-</b>	<b>40,804</b>	<b>149</b>	<b>2,398</b>	<b>1,230</b>	<b>-</b>	<b>-</b>	<b>44,581</b>
Charge for year	-	3,689	15	76	145	-	-	<b>3,925</b>
Disposals	-	3	-	(5)	(92)	-	-	<b>(94)</b>
Reclassifications	-	(60)	-	60	-	-	-	<b>-</b>
<b>At 31 March 2024</b>	<b>-</b>	<b>44,436</b>	<b>164</b>	<b>2,529</b>	<b>1,283</b>	<b>-</b>	<b>-</b>	<b>48,412</b>
<b>Net book value</b>								
At 31 March 2023	20,222	100,799	47	153	255	865	238	122,579
<b>At 31 March 2024</b>	<b>19,486</b>	<b>104,190</b>	<b>31</b>	<b>793</b>	<b>215</b>	<b>863</b>	<b>12</b>	<b>125,590</b>

The valuation of buildings and associated depreciation and impairment have been restated in the prior year (see note 28).

Assets are valued in accordance with the accounting policy (note 1.8). Land, buildings and bund comprise freehold properties. All other assets are owned. No assets are supported by either finance leases or PFI contracts.

The freehold properties were last fully valued as at 31 March 2024 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standard 2022 and the UK national standards and guidance set out in national supplement (November 2018 Edition). The valuation of the non-specialised properties was undertaken on a Fair Value basis, on the assumption of continuation of the existing use. Specialised properties were valued by reference to Depreciated Replacement Cost.

The net book value of revalued assets under historic cost is as follows: Land £3,649k (2023: £3,649k); Buildings and bund £61,417k (2023: £59,198k).

There is a collection of artworks, furniture and fittings at Bisham Abbey that date from the 16th century. The historical significance of these assets classifies the collection as Artworks and antiques. The collection was valued in 2024 by Sotheby's.

## 9.2 Property, plant and equipment – Council

	Buildings and Bund £'000	Equipment £'000	IT Equipment £'000	Total £'000
<b>Cost</b>				
<b>At 1 April 2022</b>	-	309	1,304	1,613
Additions	1,459	-	83	1,542
Gifted assets <sup>1</sup>	(1,459)	-	-	(1,459)
Disposals	-	-	(28)	(28)
<b>At 31 March 2023</b>	-	309	1,359	1,668
Additions	4,927	-	108	5,035
Gifted assets <sup>1</sup>	(4,927)	-	-	(4,927)
Disposals	-	(1)	(91)	(92)
<b>At 31 March 2024</b>	-	308	1,376	1,684
<b>Depreciation</b>				
<b>At 1 April 2022</b>	-	235	963	1,198
Charge for year	-	26	174	200
Disposals	-	-	(28)	(28)
<b>At 31 March 2023</b>	-	261	1,109	1,370
Charge for year	-	23	145	168
Disposals	-	1	(91)	(90)
<b>At 31 March 2024</b>	-	285	1,163	1,448
<b>Net book value</b>				
At 31 March 2023	-	48	250	298
<b>At 31 March 2024</b>	-	23	213	236

<sup>1</sup> Sport England has gifted assets to its subsidiary, The Sports Council Trust Company. The assets gifted are relevant to the operational activities of the national sports centres. All assets are owned, no assets are supported by either finance leases or PFI contracts.

## 10 Right-of-use assets

	<b>Group and Council £'000</b>
<b>Cost</b>	
<b>At 1 April 2022</b>	<b>2,962</b>
Disposals	(2,659)
<b>At 31 March 2023</b>	<b>303</b>
Additions	274
Disposals	(1)
<b>At 31 March 2024</b>	<b>576</b>
<b>Depreciation</b>	
<b>At 1 April 2022</b>	<b>2,043</b>
Charge for year	841
Disposal	(2,659)
<b>At 31 March 2023</b>	<b>225</b>
Charge for year	29
Disposal	(2)
<b>At 31 March 2024</b>	<b>252</b>
<b>Net book value</b>	
At 31 March 2023	78
<b>At 31 March 2024</b>	<b>324</b>

Right-of-use assets are in respect of leased properties, being the office at Loughborough.

Leases are held in the name of The Sports Council Trust Company and are recharged to Sport England. The total values of commitments under these leases and the corresponding right of use asset are therefore treated as those of Sport England. Refer to note 17 for details of the associated Lease liabilities.

## 11 Intangible assets

	Group			Council		
	IT Software	Assets under	Total	IT Software	Assets under	Total
	£'000	Construction	£'000	£'000	Construction	£'000
<b>Cost</b>						
<b>At 1 April 2022</b>	<b>6,365</b>	<b>-</b>	<b>6,365</b>	<b>6,226</b>	<b>-</b>	<b>6,226</b>
Additions	-	685	<b>685</b>	-	685	<b>685</b>
Impairment	-	(1,620)	<b>(1,620)</b>	-	(1,620)	<b>(1,620)</b>
Reclassification	(1,331)	1,331	-	(1,331)	1,331	-
<b>At 31 March 2023</b>	<b>5,034</b>	<b>396</b>	<b>5,430</b>	<b>4,895</b>	<b>396</b>	<b>5,291</b>
Additions	11	1,379	<b>1,390</b>	11	1,379	<b>1,390</b>
Disposals	-	-	-	1	-	<b>1</b>
<b>At 31 March 2024</b>	<b>5,045</b>	<b>1,775</b>	<b>6,820</b>	<b>4,907</b>	<b>1,775</b>	<b>6,682</b>
<b>Depreciation</b>						
<b>At 1 April 2022</b>	<b>4,972</b>	<b>-</b>	<b>4,972</b>	<b>4,972</b>	<b>-</b>	<b>4,972</b>
Charge for year	259	-	<b>259</b>	212	-	<b>212</b>
Reclassification	(436)	436	-	(436)	436	-
Disposal	-	(264)	<b>(264)</b>	-	(264)	<b>(264)</b>
<b>At 31 March 2023</b>	<b>4,795</b>	<b>172</b>	<b>4,967</b>	<b>4,748</b>	<b>172</b>	<b>4,920</b>
Charge for year	135	-	<b>135</b>	89	-	<b>89</b>
Disposal	(1)	1	-	-	1	<b>1</b>
<b>At 31 March 2024</b>	<b>4,929</b>	<b>173</b>	<b>5,102</b>	<b>4,837</b>	<b>173</b>	<b>5,010</b>
<b>Net book value</b>						
At 31 March 2023	239	224	<b>463</b>	147	224	<b>371</b>
<b>At 31 March 2024</b>	<b>116</b>	<b>1,602</b>	<b>1,718</b>	<b>70</b>	<b>1,602</b>	<b>1,672</b>

Intangible assets comprise computer software and website development, which provide ongoing economic benefits.

Additions include costs incurred for the finance and grant management systems development.

The 2022-23 Impairment of fixed assets of £1,356,000 disclosed in the SoCNE is the net of the £1,620,000 Impairment of Cost less £264,000 disposal of Depreciation.

## 12 Financial assets

Listed stocks and securities

	Group		Council	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
Market value at 1 April	814	866	-	-
Revaluation of financial asset	64	(52)	-	-
<b>Market value at 31 March</b>	<b>878</b>	<b>814</b>	<b>-</b>	<b>-</b>

Listed stocks and securities relate to a managed investment fund held by The Sports Council Trust Company in the Sarasin Endowments Fund managed by Sarasin & Partners. These investments are held for medium to long-term strategic purposes. The holding is classified as 'not held for trading'.

The historical cost of the asset at 31 March 2024 was £0.7 million (2022-23: £0.7 million).

The income received on the investment fund for the year to 31 March 2024 was £24k (2022-23: £23k).

The following subsidiaries are included in the consolidated results for The English Sports Council Group:

Company and Country of Incorporation	Financial Activity	Proportion held:	Status of Subsidiary	Total reserves at 31 March		Net Expenditure/(Income) at 31 March	
The Sports Council Trust Company (England and Wales)	Charitable Trust dedicated to promotion of sport	Sole member 100% guarantor	Active	2024	£122.9m	2024	(£0.6)m
				2023	£120.6m	2023	£1.7m
English Sports Development Trust Limited (England and Wales)	Media buying for Sport England activity campaigns	Sole member 100% guarantor	Active	2024	£431,000	2024	£139,000
				2023	£292,000	2023	(£1,000)

The English Sports Council is the sole member and parent body of both subsidiaries.

The registered office of both subsidiaries is Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

Annual report and accounts of both subsidiaries are available from [www.gov.uk](http://www.gov.uk) and [www.sportengland.org](http://www.sportengland.org)

## 13 Trade and other receivables

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
Trade receivables	548	273	512	264
Other receivables	874	751	874	751
Staff travel loans	-	2	-	2
Prepayments and accrued income	1,334	4,777	1,103	4,506
Sport England Lottery Fund	3,776	7,801	3,776	7,801
<b>Total</b>	<b>6,532</b>	<b>13,604</b>	<b>6,265</b>	<b>13,324</b>

## 14 Cash and cash equivalents

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
Balance at 1 April	6,565	26,997	5,985	26,420
Net change in Cash and cash equivalents	12,473	(20,432)	12,603	(20,435)
<b>Balance at 31 March</b>	<b>19,038</b>	<b>6,565</b>	<b>18,588</b>	<b>5,985</b>
Balances held with commercial banks	19,038	6,565	18,588	5,985

## 15 Grants outstanding

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
Grants outstanding	140,520	87,324	140,520	87,324

## Future commitments

As at 31 March 2024, Sport England had entered into future commitments to pay grants to award recipients of their approved programmes. Commitments are recognised for each year, on the undertaking that continued funding is dependent on Grant-in-Aid being available to Sport England in those future years and that the recipient continues to deliver its agreed programme of activity.

These commitments, which are mainly the Exchequer element of the Covid-19 Rollover support funding for partners to 31 March 2024, haven't been recognised in the Statement of comprehensive net expenditure or the Statement of financial position and are shown below:

	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>
2023-24	-	88,205
2024-25	<b>120,031</b>	18,250
2025-26	<b>14,621</b>	9,426
2026-27	<b>11,234</b>	-
	<b>145,886</b>	<b>115,881</b>

## 16 Trade and other payables

	<b>GROUP</b>		<b>COUNCIL</b>	
	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade payables	<b>2,294</b>	923	<b>2,289</b>	908
Corporation tax	<b>229</b>	54	<b>183</b>	54
Accruals	<b>4,910</b>	5,501	<b>4,687</b>	5,164
Other payables	<b>573</b>	659	<b>573</b>	659
The Sports Council Trust Company	-	-	<b>69</b>	442
English Sports Development Trust Ltd	-	-	<b>411</b>	292
<b>Total</b>	<b>8,006</b>	7,137	<b>8,212</b>	7,519

## 17 Lease liability

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
No later than 1 year	57	57	57	57
Later than 1 year and no later than 5 years	228	38	228	38
Later than 5 years	80	-	80	-
<b>Total undiscounted lease liabilities at 31 March</b>	<b>365</b>	95	<b>365</b>	95
Future finance charges	(26)	(3)	(26)	(3)
<b>Total lease liabilities at 31 March</b>	<b>339</b>	92	<b>339</b>	92
<b>Net present value of lease liabilities</b>				
No later than 1 year	50	55	50	55
Later than 1 year and no later than 5 years	211	37	211	37
Later than 5 years	78	-	78	-
<b>Total</b>	<b>339</b>	92	<b>339</b>	92

Leases are held in the name of The Sports Council Trust Company and are recharged to Sport England. The total values of commitments under these leases are therefore treated as those of Sport England.



## 18 Provisions

### Amounts falling due within one year:

	GROUP		COUNCIL	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
Balance at 1 April	554	554	-	-
Provision reversal	(454)	-	-	-
Balance at 31 March	100	554	-	-

The provision is dilapidations for Bloomsbury Street. The lease expired in November 2022 with no option to extend. Provisions were made following a series of assessments since the lease expiry, totalling £554k.

Following negotiations between the landlord and DCMS, a settlement is expected within the following year and we have reduced the value of our provision down to £100k, based on advice from DCMS and their knowledge of the final settlement.

## 19 Pension liabilities

Sport England has a defined benefit scheme (benefits based on final salary) with the London Pension Fund Authority (LPFA), which was closed to new members on 30 September 2005. Sport England also operates a Group Personal Pension Plan (GPPP) defined contribution scheme, which is available to employees who commenced service from 1 October 2005 onwards.

### Defined benefit LPFA scheme

Sport England is one of a large number of employers whose staff participate in the scheme; however, the information given in this note relates only to the Sport England Exchequer portion.

The administering authority for the Fund is the LPFA. The LPFA Board oversees the management of the Fund, whilst the day-to-day fund administration is undertaken by the Local Pensions Partnership in accordance with the Local Government Pension Scheme Regulations 2013.

The amounts disclosed in these accounts are the portion deemed to be apportioned to the Grant-in-Aid funded part of the scheme. As all scheme members are or were employees of Sport England, the pension deficit recorded in the Lottery Accounts would become part of the Grant-in-Aid pension deficit in the event of the Lottery Fund being wound up.

The scheme is funded by employee and employer contributions at actuarially determined rates based on current members. Additional employer contributions are paid into the scheme to reduce the deficit as advised by the scheme's actuaries based on triennial valuations. The most recent triennial valuation was at 31 March 2022. Sport England will also make additional voluntary contributions to the scheme where it is appropriate and there is funding is available to do so.

Under Sport England's management agreement with its sponsoring department DCMS, all assets and liabilities on the defined benefit scheme will be passed to a successor body if Sport England were to be wound up. If there was no successor body, then the assets and liabilities would revert to DCMS.

In December 2018, there was a Court of Appeal judgment in relation to the McCloud and Sargeant cases, which relate to age discrimination in the Judicial and Fire Service pension schemes respectively. In June 2019, the Government was refused leave to appeal and the Government Actuary Department developed a methodology to estimate the impact of this judgment on those bodies that are part of the Local Government Pension Scheme. The impact based on this initial methodology has been included in the figures presented here at 31 March 2024.

The Ministry of Housing, Communities and Local Government (MHCLG) initiated a consultation into its proposals following this case in July 2020, the results of which may further inform how the impact of this case on pension liabilities and service costs is evaluated. The impact of any changes proposed in the consultation is not expected to be material. Any future developments arising from the consultation will therefore be considered in the valuation of the pension liability as of 31 March 2024.

The tables below show employee contribution rates and employer contributions for 2023-24 and 2022-23 and those that are expected to be made in 2024-25 for the Exchequer portion of the scheme.

## Employee contribution rates

2023-24 salary range		2022-23 salary range	
Up to £16,500	5.5%	Up to £15,000	5.5%
£16,501-£25,900	5.8%	£15,001-£23,600	5.8%
£25,901-£42,100	6.5%	£23,601-£38,300	6.5%
£42,101-£53,300	6.8%	£38,301-£48,500	6.8%
£53,301-£74,700	8.5%	£48,501-£67,900	8.5%
£74,701-£105,900	9.9%	£67,901-£96,200	9.9%
£105,901-£124,800	10.5%	£96,201-£113,400	10.5%
£124,801-£187,200	11.4%	£113,401-£170,100	11.4%
Over £187,201	12.5%	Over £170,101	12.5%

## Minimum employer contributions rates

	2024-25	2023-24	2022-23
% Employer contributions	6.4%	6.4%	6.4%

International Accounting Standard IAS 19 Employees Benefits requires the disclosure of additional information, in respect of the Sport England's superannuation scheme. The information has been provided by the LPFA's consulting actuaries, Barnett Waddingham. The actuaries have not made separate valuations for the Sport England Exchequer and Lottery liabilities.

The apportionment of the liability between Exchequer and Lottery is set out in the accounting policies (note 1.6).

**The following information relates to the scheme as a whole:**

### **Employer membership statistics (Sport England)**

	<b>Number</b>	<b>Salaries/pensions £'000</b>	<b>Average age</b>
Actives	39	2,131	53
Deferred pensioners	395	1,622	55
Pensioners	472	3,926	72
Unfunded pensioners	115	428	75

Represents membership data as at 31 March 2024 receiving funded and unfunded benefits.

### **Financial assumptions (expressed as weighted average)**

	<b>2024 % per annum</b>	<b>2023 % per annum</b>	<b>2022 % per annum</b>
Price increases – RPI	3.30%	3.30%	3.65%
Price increases – CPI	2.95%	2.90%	3.30%
Salary increase	3.95%	3.90%	4.30%
Pension increase	2.95%	2.90%	3.30%
Discount rate	4.90%	4.80%	2.60%

### **Life expectancy assumptions from age 65**

		<b>2023-24 Years</b>	<b>2022-23 Years</b>
Retiring today	Males	21.4	21.6
	Females	24.2	24.5
Retiring in 20 years	Males	22.9	23.1
	Females	25.4	25.7

The following information relates to the Exchequer portion of the fund only:

### Statement of financial position disclosure

	2023-24 £'000	2022-23 £'000
Present value of funded liabilities	(45,559)	(45,946)
Fair value of employer assets	55,251	52,916
Present value of unfunded liabilities	(2,453)	(2,498)
Impact of asset ceiling	(10,286)	(5,294)
<b>Net liability in the Statement of financial position</b>	<b>(3,047)</b>	<b>(822)</b>
Liabilities	(48,012)	(48,444)
Assets	55,251	52,916
Impact of asset ceiling	(10,286)	(5,294)
<b>Net liability in the Statement of financial position</b>	<b>(3,047)</b>	<b>(822)</b>

### Amounts recognised in the Statement of Comprehensive Net Expenditure

	2023-24 £'000	2022-23 £'000
Service cost	116	400
Net interest on the net defined benefit liability	(21)	37
Administration expenses	13	14
<b>Total</b>	<b>108</b>	<b>451</b>

## Remeasurement of the (net assets)/defined liability in Other Comprehensive Income

	2023-24	2022-23
	£'000	£'000
Return on plan assets in excess of interest	1,657	(493)
Other actuarial gains/(losses)	-	(148)
Change in financial assumptions	345	23,610
Change in demographic assumptions	591	1,567
Experience loss/(gain)	(154)	(3,857)
Changes in effect of asset ceiling	(4,738)	(5,294)
<b>Total</b>	<b>(2,299)</b>	<b>15,385</b>

## Changes in the present value of the defined benefit obligation

	2023-24	2022-23
	£'000	£'000
Return on plan assets in excess of interest	48,444	69,436
Service costs	116	400
Interest costs	2,277	1,929
Change in demographic assumptions	(591)	(1,567)
Change in financial assumptions	(345)	(23,610)
Contribution by members	62	68
Estimated unfunded benefits paid	(175)	(174)
Estimated benefits paid	(1,930)	(1,895)
Experience gains	154	3,857
<b>Closing defined benefit obligation</b>	<b>48,012</b>	<b>48,444</b>

In order to value the employer's liabilities as at 31 March 2024, Barnett Waddingham has rolled forward the actuarial value of the liabilities reported for the latest full funding valuation, using financial assumptions compliant with IAS 19. The full actuarial valuation involved projecting future cashflows to be paid from the fund and placing a value on them. These cashflows include pensions currently being paid to members of the fund as well as pensions (and lump sums) that may be payable in future to members of the fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated liability as at 31 March 2024 without completing a full valuation. The actuary is satisfied that the approach of rolling forward the previous valuation to 31 March 2024 should not introduce any material distortions in the results, provided that the actual experience of Sport England and the Fund has been broadly in line with the underlying assumptions and the structure of the liabilities is substantially the same as the latest formal valuation.

## Changes in the fair value of the plan assets

	2023-24	2022-23
	£'000	£'000
Opening fair value of employer assets	52,916	53,233
Interest on assets	2,552	1,892
Return on assets less interest	1,657	(493)
Actuarial losses	-	(148)
Administration expenses	(13)	(14)
Contributions by members	62	68
Contributions by employer	182	446
Estimated benefits paid	(2,105)	(2,068)
<b>Closing fair value of employer assets</b>	<b>55,251</b>	<b>52,916</b>

The major categories of plan assets as a percentage of total plan assets:

	2023-24		2022-23	
	£'000	%	£'000	%
Equities	33,453	61	30,458	58
Target Return Portfolio	9,531	17	9,630	18
Infrastructure	6,347	11	6,554	12
Property	5,054	9	5,086	10
Cash	866	2	1,188	2
<b>Total</b>	<b>55,251</b>	<b>100</b>	<b>52,916</b>	<b>100</b>

To calculate the asset share, Barnett Waddingham has rolled forward the assets, allowing for contributions paid into and estimated benefits paid from, the fund by and in respect of the employer investment returns, and its employees. Barnett Waddingham also makes an allowance for administration expenses which are paid in respect of the fund. For the purposes of its calculations, it distributes fund administration expenses amongst the employers in the fund in proportion to their individual asset shares.

## Reconciliation of asset ceiling

	2023-24	2022-23
	£'000	£'000
Opening impact of asset ceiling	5,294	-
Actuarial losses/(gains)	4,738	5,294
Interest on impact of asset ceiling	254	-
<b>Closing impact of asset ceiling</b>	<b>10,286</b>	<b>5,294</b>

The asset ceiling is the present value of any economic benefit available to Sport England in the form of refunds or reduced future employer contributions. The calculation of the asset ceiling has followed the actuary's interpretation of IFRIC14.

The calculations assume that:

- there is no prospect of Sport England having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the fund;
- Sport England is an admitted body. As Sport England is closed to new entrants to this scheme, so the appropriate period of participation to consider is the future working life of the active members;
- primary contributions are considered to be a minimum funding requirement (MFR). It has been assumed that Sport England can benefit from its negative secondary contributions. The appropriate period of assessment for the present value of the negative secondary contributions is the lesser of their expected participation period and the surplus spreading period.

## Sensitivity analysis

Participating in this defined benefit pension scheme means that Sport England is exposed to a number of risks, including investment and interest rate risk with regards to the market values and returns of the fund assets. The benefits of the fund are also linked to inflation, whilst the fund assets are not, which gives rise to a risk that deficits may emerge as a result of this. There are also demographic risks, for example that members of the fund live longer than has been assumed.

In addition, as many unrelated employers participate in the London Pension Fund Authority Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations, so that the difference may fall on the remaining employers.



All of the risks above may also benefit Sport England, for example higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

The sensitivity of the Sport England pension liability to changes in assumptions is as follows:

	£'000	£'000	£'000
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	47,372	48,012	48,666
Projected service cost	109	113	116
<b>Adjustment to long-term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	48,048	48,012	47,977
Projected service cost	113	113	113
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	48,643	48,012	47,395
Projected service cost	116	113	109
<b>Adjustment to life expectancy assumption</b>	<b>+ 1 Year</b>	<b>None</b>	<b>- 1 Year</b>
Present value of total obligation	49,946	48,012	46,159
Projected service cost	117	113	108

## Projected employer contributions to schemes

	Year to 31 March 2025 £'000
Service cost	139
Net interest on the defined liability/(asset)	86
Administration expenses	17
<b>Total loss/(profit)</b>	<b>242</b>
<b>Employer contribution</b>	<b>49</b>

These projections are based on the assumptions as at 31 March 2024. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2024.

**Defined contribution Aviva GPPP**

Employer contributions for staff members of this scheme for the year ended 31 March 2024 were £577k (2022-23: £449k). There were no amounts outstanding or pre-paid at 31 March 2024 (2022-23: £nil).

Contribution rates <sup>1</sup>	
Employee	Employer
3.0%	5.0% <sup>2</sup>
4.0%	5.0%
5.0%	8.0%
6.5%	11.0%
8.0%	11.0%
10.0%	11.0%

1 Contribution rates apply to all salary levels

2 Relates to auto enrolment

## 20 Contingent liabilities

### Contributions towards property, plant and equipment

In 1979, the Football Association (FA) contributed £500,000 towards the construction of a hostel at Lilleshall National Sports Centre. A management agreement with the FA was entered into by Sport England which enabled the FA to run the Vauxhall School at the Centre, which closed in July 1999. The Management Agreement continues to remain in place and at the present time, the accommodation is used by the FA's Medical and Education Units. If Sport England were to terminate the agreement at any time before 2039, then a proportion of the £500,000 would fall due to be paid to the FA, calculated by the reference to effluxion of time. The Board considers it unlikely that the agreement will be terminated by Sport England.

## 21 Capital commitments

The Group had capital commitments contracted but not provided for in the financial statements as at 31 March 2024, amounting to £61,000 (2022-23: £3.4 million). The 2022-23 commitments represent a construction contract to deliver a new Archery Facility at the Lilleshall National Sports Centre.

## 22 Revaluation reserves – Group

### Land and Buildings

	<b>2023-24</b>	<b>Restated 2022-23</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	<b>59,041</b>	51,469
Surplus owing to revaluation of properties	<b>2,746</b>	8,911
Transfer between general reserve	-	(3)
Amortisation of revaluation reserve to income and expenditure account	<b>(1,705)</b>	(1,336)
<b>Balance at 31 March</b>	<b>60,082</b>	59,041

The valuation of buildings and associated depreciation and impairment have been restated in the prior year (see note 28).

For further detail relating to the surplus owing to the revaluation of properties, see note 9.1 Property, plant and equipment – Group.

## 23 Reconciliation of net operating expenditure to net cash outflow from operating activities

	GROUP		COUNCIL	
	2023-24	Restated 2022-23	2023-24	2022-23
	£'000	£'000	£'000	£'000
Net operating expenditure	<b>(239,130)</b>	(153,136)	<b>(239,561)</b>	(151,323)
Depreciation of non-current assets	<b>4,089</b>	4,637	<b>286</b>	1,252
Impairment of non-current assets	<b>842</b>	1,220	-	1,356
Disposal of non-current assets	<b>1</b>	-	<b>1</b>	-
Net interest on net defined benefit liability and administration costs	<b>(8)</b>	51	<b>(8)</b>	51
Increase/(decrease) in receivables	<b>7,072</b>	(6,725)	<b>7,059</b>	(6,850)
(Decrease)/increase in payables	<b>694</b>	(16,620)	<b>564</b>	(16,496)
Increase/(decrease) in grants outstanding	<b>53,196</b>	39,545	<b>53,196</b>	39,545
Increase/(decrease) in lease liabilities	<b>247</b>	(1,014)	<b>247</b>	(1,014)
(Decrease) in provisions	<b>(454)</b>	-	-	-
LPFA service costs	<b>116</b>	400	<b>116</b>	400
LPFA employer contributions	<b>(182)</b>	(446)	<b>(182)</b>	(446)
Gifted assets	<b>1</b>	-	<b>4,927</b>	1,459
Taxation	<b>(54)</b>	(3)	<b>(54)</b>	(1)
Interest received	<b>744</b>	295	<b>737</b>	291
Finance costs	<b>(10)</b>	(4)	<b>(10)</b>	(4)
<b>Net cash (outflow) from operating activities</b>	<b>(172,836)</b>	(131,800)	<b>(172,682)</b>	(131,780)

The valuation of buildings has been restated in the prior year, which has also changed the depreciation and impairment charges (see note 28).

## 24 Related party transactions

The following table details where Key Management Personnel (Board and Committee Members, Executive Directors and principal decision-makers) declared a current or past interest relating to Sport England's Exchequer funding.

The related party transactions are in relation to:

- grant awards made during the year ended 31 March 2024. Decommittments are shown in brackets;
- grant awards unpaid at 31 March 2024.

In a number of cases there may be relationships not disclosed in the tables below as a result of no awards being made to the third party during the year.

Key management personnel	Grants awarded £'000	Balances receivable/(payable) at 31 March 2023 £'000	Organisation	Relationship type
<b>Tim Hollingsworth</b>	80,925	(72,915)	Football Foundation	Board member
	28	(15)	University of Bath	Board member
<b>Alison Selfe</b>	1,370	(1,030)	British Cycling Federation	Immediate Family: Member
	1,021	(700)	London Borough of Havering	Partner: Employment
<b>Rashmi Becker</b>	2,063	-	CIMSPA	Member
<b>David Mahoney</b>	200	-	England and Wales Cricket Board	Director
<b>Elena Narozanski</b>	80,925	(72,915)	Football Foundation	Trustee

Sport England is a non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS).

DCMS is regarded as a related party and during the year Sport England had material transactions with DCMS.

Sport England has two subsidiaries that are also regarded as related parties. There were material transactions with The Sports Council Trust Company during the year, and with the English Sports Development Trust Limited.

The English Sports Council National Lottery Distribution Fund is also a related party as there were material transactions during the year.

At year end, Sport England had the following balances outstanding with other Government bodies:

	<b>Receivables</b>		<b>Payables</b>	
	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balances with other DCMS Government bodies	–	–	–	(35)
Balances with other central Government bodies	<b>744</b>	624	<b>(229)</b>	(54)
Balances with academies	–	–	<b>(204)</b>	(3,403)
Balances with local authorities	–	–	<b>(61,532)</b>	(18,765)
Balances with NHS trusts	–	–	<b>(1)</b>	–

During the year, Sport England had the following transactions with other Government bodies:

	<b>Receivables</b>		<b>Payables</b>	
	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Transactions with other DCMS Government bodies	<b>146</b>	101	<b>(547)</b>	84
Transactions with other central Government bodies	–	17	<b>(1,010)</b>	(703)
Transactions with academies	–	–	<b>(6,196)</b>	(8,667)
Transactions with local authorities	–	–	<b>(69,146)</b>	(12,069)
Transactions with NHS trusts	–	87	<b>(14)</b>	–

## 25 Derivatives and other financial instruments

Sport England Exchequer relies mainly on grant-in-aid funding to finance its operations. Other than items such as trade receivables and trade payables that arise from its operations and cash resources, it holds no other financial instruments nor enters into derivative transactions.

Sport England Exchequer performs all transactions in Pound Sterling and therefore has no currency exchange risk. Sport England does not enter into any forward foreign currency contracts or similar financial instruments.

The Sports Council Trust Company holds a financial instrument listed in the United Kingdom. The return from investments is not material: £24k (2022-23: £23k). Due to the value of the investment held by The Sports Council Trust Company, Sport England is not exposed to significant market risk. The Board of The Sports Council Trust Company regularly undertakes reviews to mitigate the risks of performance of this instrument.

Sport England Exchequer does not borrow money and therefore has no exposure to interest rate risk or liquidity risk in this regard. Cash balances are held in commercial bank accounts and attract market rates of interest. Sport England Exchequer does not enter into any interest rate swaps or similar financial instruments.

## 26 Ultimate parent body and domicile

Sport England is the trading name of The English Sports Council (ESC) and is funded through a combination of National Lottery funding and grant-in-aid from the Department for Culture, Media and Sport, which classifies the ESC as a non-departmental government body.

The ESC was originally established by Royal Charter in 1972 (as The Sports Council); this was amended in 1996 and from 1 January 1997 the ESC was launched. The organisation is domiciled in the UK. The accounts of ESC Group are available from its registered office at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

## 27 Events after the reporting period

There were no post-balance sheet events between the year end and when the accounts were authorised for issue on the date the Comptroller and Auditor General certified the accounts. The financial accounts do not reflect events after this date.

## 28 Prior year adjustments

The financial statements have been restated to incorporate the impact of a material error in the calculation of the building valuations in Sport England's subsidiary, the Sports Council Trust Company Limited. As a result, the restatement only affects the Group numbers for the prior year. The errors identified were material to the subsidiary, but not the group accounts. As such the third statement of financial position was not required.

During the year, the documentation relating to the floor areas of the national sport centre sites at Bisham and Lilleshall were reviewed and the Gross Internal Area of the buildings as applied for the valuations was corrected. When applied to previous years, this resulted in increased property valuations as at 31 March 2019, 31 March 2020, 31 March 2021, 31 March 2022 and 31 March 2023. The restatement adjustment has increased the value of tangible fixed assets and gain on revaluation of fixed assets and associated depreciation and impairment, at each date.

### Statement of comprehensive net expenditure 2022-23

	Group		
	Restated	Previously stated	Adjustment
	£'000	£'000	£'000
Operating costs	(9,951)	(9,861)	(90)
<b>Net operating expenditure for the year</b>	<b>(152,876)</b>	<b>(152,786)</b>	<b>(90)</b>
Surplus owing to revaluation of properties	8,911	8,666	245
<b>Total other net comprehensive income</b>	<b>24,244</b>	<b>23,999</b>	<b>245</b>
<b>Total Comprehensive Expenditure for the year</b>	<b>(128,632)</b>	<b>(128,787)</b>	<b>155</b>



## Statement of financial position 2022–23

	Group		
	Restated	Previously	Adjustment
		stated	
	£'000	£'000	£'000
Property, plant and equipment	122,579	119,629	2,950
<b>Total assets</b>	<b>144,103</b>	<b>141,153</b>	<b>2,950</b>
<b>Net assets</b>	<b>48,174</b>	<b>45,224</b>	<b>2,950</b>
<b>Reserves</b>	<b>48,174</b>	<b>45,224</b>	<b>2,950</b>

## Statement of changes in taxpayer's equity 2022–23 – Group

	Revaluation reserve			General reserve		
	Restated	Previously	Adjustment	Restated	Previously	Adjustment
		stated			stated	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2022</b>	<b>51,469</b>	<b>48,613</b>	<b>2,856</b>	<b>27,969</b>	<b>28,030</b>	<b>(61)</b>
Net operating expenditure for the year	–	–	–	(152,876)	(152,786)	(90)
Surplus owing to revaluation of properties	8,911	8,666	245	–	–	–
Amortisation of revaluation reserve to General Reserve	(1,336)	(1,233)	(103)	1,336	1,233	103
<b>Balance at 31 March 2023</b>	<b>59,041</b>	<b>56,043</b>	<b>2,998</b>	<b>(10,045)</b>	<b>(9,997)</b>	<b>(48)</b>

## Note 7 Operating costs

	Group		
	Restated	Previously stated	Adjustment
	£'000	£'000	£'000
Depreciation	4,637	4,535	102
Impairment of non-current assets	1,220	1,232	(12)
<b>Total</b>	<b>9,951</b>	<b>9,861</b>	<b>90</b>

## Note 9.1 Property, plant and equipment – Group

	Land		Buildings and Bund		Total
	Restated	Previously stated	Restated	Previously stated	
	£'000	£'000	£'000	£'000	Adjustment £'000
<b>Cost</b>					
<b>At 1 April 2022</b>	<b>20,569</b>	<b>20,569</b>	<b>131,002</b>	<b>128,008</b>	<b>2,994</b>
Revaluation	(347)	(347)	9,259	9,013	246
Impairment reversal	-	-	136	124	12
<b>At 31 March 2023</b>	<b>20,222</b>	<b>20,222</b>	<b>141,603</b>	<b>138,351</b>	<b>3,252</b>
<b>Depreciation</b>					
<b>At 1 April 2022</b>	<b>-</b>	<b>-</b>	<b>(37,572)</b>	<b>(37,372)</b>	<b>(200)</b>
Charge for year	-	-	(3,232)	(3,130)	(102)
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>(40,804)</b>	<b>(40,502)</b>	<b>(302)</b>
<b>Net book value</b>					
At 31 March 2023	<b>20,222</b>	<b>20,222</b>	<b>100,799</b>	<b>97,849</b>	<b>2,950</b>

# **The English Sports Council National Lottery Distribution Fund Accounts for the year ended 31 March 2024**

## **The certificate and report of the Comptroller and Auditor General to the Houses of Parliament**

### **Opinion on financial statements**

I certify that I have audited the financial statements of the English Sports Council National Lottery Distribution Fund for the year ended 31 March 2024 under the National Lottery etc. Act 1993.

The financial statements comprise the English Sports Council National Lottery Distribution Fund's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Income, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the English Sports Council National Lottery Distribution Fund's affairs as at 31 March 2024 and its net income for the year then ended; and
- have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the English Sports Council National Lottery Distribution Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the English Sports Council National Lottery Distribution Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the English Sports Council National Lottery Distribution Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern, are described in the relevant sections of this certificate.

The going concern basis of accounting for the English Sports Council National Lottery Distribution Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other information

The other information comprises information included in the Performance Report and Accountability Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Lottery etc. Act 1993.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and
- the information given in the Performance and Accountability reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the English Sports Council National Lottery Distribution Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the English Sports Council National Lottery Distribution Fund or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of the Council's and Accounting Officer's Responsibilities, the Council and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the English Sports Council National Lottery Distribution Fund from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the National Lottery etc. Act 1993;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the National Lottery etc. Act 1993; and
- assessing the English Sports Council National Lottery Distribution Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by English Sports Council National Lottery Distribution Fund will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud, is detailed below.



## Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance, including the design of the English Sports Council National Lottery Distribution Fund's accounting policies;
- inquired of management, the English Sports Council National Lottery Distribution Fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the English Sports Council National Lottery Distribution Fund's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations, including the English Sports Council National Lottery Distribution Fund's controls relating to the English Sports Council National Lottery Distribution Fund's compliance with the National Lottery etc. Act 1993 and Managing Public Money;
- inquired of management, the English Sports Council National Lottery Distribution Fund's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the English Sports Council National Lottery Distribution Fund for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the English Sports Council National Lottery Distribution Fund's framework of authority and other legal and regulatory frameworks in which the English Sports Council National Lottery Distribution Fund operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the English Sports Council National Lottery Distribution Fund. The key laws and regulations I considered in this context included the National Lottery etc. Act 1993, Managing Public Money, employment law and pensions legislation.

I considered the controls in place at the English Sports Council National Lottery Distribution Fund to ensure regularity of grant expenditure.

## **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit, Risk & Governance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Council and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

## Other auditor’s responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## Report

I have no observations to make on these financial statements.

<b>Gareth Davies</b>	<b>Date</b>
Comptroller and Auditor General	05 February 2025

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# The English Sports Council National Lottery Distribution Fund Financial Statements for the year ended 31 March 2024

## Statement of comprehensive net income for the year ended 31 March 2024

	Note	2023-24 £'000	2022-23 £'000
<b><u>Income</u></b>			
National Lottery share of proceeds	2	213,697	219,243
National Lottery Investment returns	2	10,412	4,400
Grant recoveries		818	423
Interest receivable		-	2
Other income	3	581	659
<b>Total income</b>		<b>225,508</b>	<b>224,727</b>
<b><u>Expenditure</u></b>			
Grants made	4	(100,153)	(115,722)
Grant de-commitments	4	11,350	2,607
Non-cash grants	5	(1,964)	(2,604)
Staff costs	6	(12,126)	(11,653)
Sport development costs	7	(7,277)	(5,691)
Other operating costs	8	(3,959)	(5,068)
<b>Total expenditure</b>		<b>(114,129)</b>	<b>(138,131)</b>
Net interest on the net defined benefit liability	13	30	(54)
<b>Net income before taxation</b>		<b>111,409</b>	<b>86,542</b>
Taxation charge		-	-
<b>Net income for the year</b>		<b>111,409</b>	<b>86,542</b>
<b><u>Other Comprehensive Expenditure</u></b>			
Remeasurement of defined benefit obligation	13	(3,253)	22,319
<b>Total comprehensive net income</b>		<b>108,156</b>	<b>108,861</b>

All income and expenditure relates to continuing activities.

The notes on pages 171-197 form part of these financial statements.

## Statement of financial position as at 31 March 2024

	Note	2023-24 £'000	2022-23 £'000
<b><u>Non-current assets</u></b>			
Net pension assets	13	-	1,676
<b>Total non-current assets</b>		-	1,676
<b><u>Current assets</u></b>			
National Lottery Distribution Fund	2	<b>219,553</b>	195,994
Trade and other receivables	9	<b>1,037</b>	856
Cash and cash equivalents	10	<b>1,899</b>	1,406
<b>Total current assets</b>		<b>222,489</b>	198,256
<b>Total assets</b>		<b>222,489</b>	199,932
<b><u>Current liabilities</u></b>			
Trade and other payables	11	<b>5,216</b>	10,141
Grants payable	12	<b>230,061</b>	332,307
<b>Total current liabilities</b>		<b>235,277</b>	342,448
<b><u>Non-Current liabilities</u></b>			
Grants payable	12	<b>230,896</b>	210,869
Net pension liabilities	13	<b>1,545</b>	-
<b>Total non-current liabilities</b>		<b>232,441</b>	210,869
<b>Total liabilities</b>		<b>467,718</b>	553,317
<b>Assets less liabilities</b>		<b>(245,229)</b>	(353,385)
<b><u>Equity</u></b>			
General reserve		<b>(243,684)</b>	(355,061)
Pension reserve		<b>(1,545)</b>	1,676
<b>Total equity</b>		<b>(245,229)</b>	(353,385)



**Tim Hollingsworth, OBE**

Chief Executive and Accounting Officer  
The English Sports Council  
03 February 2025



**Michelle Cracknell**

Audit, Risk and Governance Committee Chair  
The English Sports Council  
03 February 2025

The notes on pages 171-197 form part of these accounts.

## Statement of cash flows for the year 31 March 2024

	2023-24 £'000	2022-23 £'000
<b>Net income before taxation</b>	<b>111,409</b>	86,542
(Increase)/decrease in trade and other receivables	(181)	156
(Decrease)/increase in trade and other payables	(4,925)	4,941
(Decrease) in grants payable	(82,219)	(86,996)
Corporation tax	–	–
Transfer between reserves	(32)	105
(Increase) in NLDF	(23,559)	(4,708)
<b>Net cash inflow from operating activities</b>	<b>493</b>	40
<b>Net increase in cash and cash equivalents</b>	<b>493</b>	40
Cash and cash equivalents at 1 April	1,406	1,366
<b>Cash and cash equivalents at 31 March</b>	<b>1,899</b>	1,406

All cash and cash equivalents are held in commercial banks.

The notes on pages 171-197 form part of these accounts.

## Statement of changes in equity for the year ended 31 March 2024

	Note	Pension Reserve £'000	General Reserve £'000	Total £'000
<b>Balance at 1 April 2022</b>		(20,538)	(441,708)	(462,246)
Net income for the year		–	86,542	86,542
Remeasurement of defined benefit obligation	13	22,319	–	22,319
Transfer between reserves		(105)	105	–
<b>Balance at 31 March 2023</b>		1,676	(355,061)	(353,385)
Net income for the year		–	111,409	111,409
Remeasurement of defined benefit obligation	13	(3,253)	–	(3,253)
Transfer between reserves		32	(32)	–
<b>Balance at 31 March 2024</b>		<b>(1,545)</b>	<b>(243,684)</b>	<b>(245,229)</b>

The notes on pages 171-197 form part of these accounts.

# Notes to the accounts

## 1 Statement of accounting policies

These accounts have been prepared in accordance with the National Lottery etc. Act 1993 (as amended), the Lottery Accounts Direction issued thereunder by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury and the 2023–24 Government Financial Reporting Manual (FReM) issued by HM Treasury. A copy of the Lottery Accounts Direction can be obtained from Sport England at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate and which gives a true and fair view has been selected.

The particular policies adopted by the Sport England National Lottery Distribution Fund (Lottery), as set out and described below, have been applied consistently to all periods presented in the accounts.

### 1.1 Accounting convention

The accounts have been prepared on a going concern basis under the historical cost convention modified by the revaluation of assets and liabilities to fair value and only reflect the activities associated with the Sport England Lottery.

Without limiting the information given, the accounts of the Sport England Lottery meet the requirements of the Companies Act 2006, the Accounting Standards issued or adopted by the International Accounting Standards Board, the HM Treasury guidance on the accounts of Non-Departmental Public Bodies as set out in the FReM, and the National Lottery etc. Act 1993 (as amended) in so far as those requirements are appropriate to the Sport England Lottery.

In compliance with Section 35 of the National Lottery etc. Act 1993 (as amended), the accounts cover the year to 31 March 2024. Comparative figures are shown for the year ended 31 March 2023.

A separate set of accounts has been prepared for Sport England activities funded from Grant-in-Aid, in accordance with the instructions issued by the Secretary of State for Culture, Media and Sport.

## 1.2 Going concern

Sport England continues to adopt the going concern concept in the preparation of the Sport England Lottery accounts.

Grant commitments for future years (note 12) have been entered into after consideration of the cash requirements of grant recipients (these can extend over a number of years) and after taking account of income projections informed by the Gambling Commission. In taking this view of future income, the Board assumes as a matter of public policy the continued operation of the Lottery.

There is expected to be no change to the continued provision of services by Sport England. Future financial provision has been made for Sport England's Lottery distribution activities through section 23 of the National Lottery etc. Act 1993.

## 1.3 National Lottery Distribution Fund

Funds with the National Lottery Distribution Fund (NLDF) are held through a combination of investments in government gilts and call notice deposits. The NLDF funds are classified by the NLDF as available for sale assets and are valued at market value. Gains or losses associated with the gilts held are accordingly accounted for in the NLDF accounts.

Sport England Lottery's share of proceeds is recognised on a receivable basis.



## 1.4 Income recognition

The recovery of grants is recognised as income on an accruals basis.

The conditions associated with grants permit the recovery and repayment of grants from the grant recipient. A recovery of an element or the entire grant paid can arise when the recipient of the grant fails to comply with the terms and conditions of the grant, or actual expenditure incurred by the recipient falls below the value of the grant that has been paid.

Government grants, including Lottery funding, in respect of capital and revenue expenditure are credited to the Statement of comprehensive net expenditure in the year in which the entitlement to the monies arise, in accordance with the application of IAS 20 recommended by the FrEM.

All other income is accounted for on an accruals basis, net of VAT.

## 1.5 Grants

Grant awards are accounted for as expenditure in the Statement of Comprehensive Net Expenditure and, until paid, as liabilities in the Statement of Financial Position, if they meet the definition of liabilities in IAS 37 as a legal or constructive obligation.

Grant awards which do not meet the definition of liabilities are not included in expenditure in the Statement of Comprehensive Net Expenditure but are disclosed as contingent liabilities in note 14. These are amounts which the Board, or the relevant delegated authority, have agreed to consider at a future date subject to the required conditions being met.

## 1.6 Non-cash grants

Non-cash grants are services procured by Sport England from third parties for the benefit of other organisations (i.e. the service provider is only the deliverer and not the end recipient of the grants) and where:

- Sport England is not the beneficiary of the goods and/or services;
- the substance of the procurement is directly in line with Sport England's strategic priorities;
- the goods and/or services do not fall within any of Sport England's statutory planning or administration functions.

Non-cash grants are recognised in the Statement of Comprehensive Net Expenditure when the services contracted for are provided to the beneficiary of the non-cash grant.

## 1.7 Other expenditure

Staff costs are recognised as an expense at the time that the organisation is obligated to pay them and include the cost of any recorded untaken leave at the end of the financial year.

Costs relating to sports development and operating costs are expensed in the year in which they are incurred.

Most Lottery expenditure on staff, sports development and operating costs is initially funded by Exchequer. Sport England is required to apportion expenditure between its Exchequer and Lottery activities. Amounts used by Exchequer to initially fund Lottery activities are reimbursed throughout the year by Lottery and any outstanding balance at the year-end is reflected as a payable balance in the Lottery accounts, with a corresponding receivable balance in the Exchequer accounts.

The apportionment of expenditure is calculated using metrics derived from the organisation's annual business planning process, unless the costs are considered to be entirely Exchequer or Lottery-related. The resulting cost allocations are subject to annual review by the Executive Team.

The current methodology calculates charges on a full cost recovery basis in accordance with HM Treasury's Managing Public Money.

## **1.8 Trade receivables**

Trade receivables are recognised at fair value, less a provision for any specific impairment.

A provision for the impairment of trade receivables is established when there is objective evidence that Sport England will not be able to collect all amounts due in accordance with the original terms of the receivables.

## **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with commercial banks. The carrying amount of these assets approximates their fair value.

## **1.10 Trade and other payables**

Trade and other payables are recognised at fair value.

## **1.11 Taxation**

### **VAT**

Sport England Lottery is registered for VAT as part of Sport England's VAT registration; however, it does not undertake any business activities for VAT purposes. VAT is not recoverable on any of its operational expenditure.

### **Corporation tax**

Corporation tax is payable on bank interest received net of bank charges and other income derived from trading activities.

Investment income generated on balances held and invested by the NLDF on Sport England's behalf is not taxable.

## 1.12 Pensions

### Defined contribution scheme

Payments are recognised as an expense when employees have rendered service entitling them to the contributions.

### Defined benefit scheme

A defined benefit scheme is a post-employment benefit plan. Sport England's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

The pension liabilities and assets of the defined benefit scheme are recorded in accordance with IAS 19 (2011), which measures the value of pension assets and liabilities at the Statement of Financial Position date, and determines the benefits accrued in the year and the interest on the scheme's assets and liabilities. This valuation is undertaken by an independent actuary.

The value of the benefits accrued during the year (current service costs), past service costs, curtailments and settlements are recognised in the Statement of Comprehensive Net Expenditure within staff costs. The net interest expense on the net defined liability is shown in the Statement of Comprehensive Net Expenditure.

The scheme's administration expenses are shown in the Statement of Comprehensive Net Expenditure within operating costs. Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses and returns on plan assets (in excess of interest), is recognised immediately in the Statement of Financial Position and in Other comprehensive income.

The resulting pension liability or asset is shown in the Statement of Financial Position and is apportioned between Exchequer and Lottery activities, based on the combination of the historic rate of 40% Exchequer and 60% Lottery, and the current year corporate average cost allocation, as determined by the methodology in note 1.7.

### **1.13 Use of estimates and judgement**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenditure. Actual results may differ from the estimates used.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates are made in relation to the pension scheme defined benefit plan assets and liabilities, which determine the scheme's deficit position, and for the profiling of the future periods when grants payable fall due for payment.

The present value of the net pension liability detailed in note 13 depends on a number of actuarially derived assumptions about inflation, salary and pension trends, discount factors, mortality rates, and long-term rate of return on the assets (equities, bonds and property) underlying the relevant pension funds. The estimated liability is subject to fluctuation and uncertainty due to changes in these assumptions over time and differences between assumptions and actual events. A small change in assumptions can have a significant impact on the valuation of the liabilities.

### **1.14 Reporting standards issued but not yet effective**

There is one reporting standard issued but not yet effective: IFRS 17 (Insurance Contracts). IFRS 17 (Insurance Contracts) was issued in May 2017, replacing IFRS 4 (Insurance Contracts). The effective date of IFRS 17 in the public sector is 1 April 2025. IFRS 17 requires that insurance liabilities be measured at the present value of future insurance cash flows, resulting in more uniform measurements and presentation for all insurance contracts. Management has assessed the likely effect of the new standard and has concluded that there are no material assets or liabilities recognised as insurance contracts in Sport England and therefore this standard will have no impact on the English Sports Council's financial statements.

## 2 National Lottery Distribution Fund

	2023-24	2022-23
	£'000	£'000
<b>Balance at 1 April</b>	<b>195,994</b>	191,286
Share of proceeds	<b>213,697</b>	219,243
Investment returns	<b>10,412</b>	4,400
Funds drawn down	<b>(200,550)</b>	(218,935)
<b>Balance at 31 March</b>	<b>219,553</b>	195,994

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to Sport England is as shown in the accounts and, at the Statement of financial position date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by Sport England in respect of current and future commitments.

Funds are drawn down from the NLDF in order for Sport England to meet payments due to award recipients and suppliers.

Capital sums are distributed in accordance with the provisions of the National Lottery etc. Act 1993 (as amended). Investment returns are apportioned on the basis of the percentage share of the NLDF at the time the interest is received.

## 3 Other income

	2023-24	2022-23
	£'000	£'000
External funding income	<b>58</b>	237
Active Lives survey recharges	<b>434</b>	359
Other recharges	<b>89</b>	63
<b>Total</b>	<b>581</b>	659

## 4 Grants made

	2023-24 £'000	2022-23 £'000
Grants made in the year	100,153	115,722
Grant de-commitments	(11,350)	(2,607)
<b>Net grants made</b>	<b>88,803</b>	<b>113,115</b>

Other grants primarily consist of capital projects to drive energy sustainability (£20.0m) under the Swimming Pool Support Fund.

	2023-24 £'000	2022-23 £'000
Campaigns and advocacy	2,490	1,556
Partners	19,315	57,586
Places	32,375	24,734
Open funds	15,297	29,555
Other	30,676	2,291
Decommitments	(11,350)	(2,607)
<b>Total</b>	<b>88,803</b>	<b>113,115</b>

The categories reflect the main areas of grant expenditure for 2023-24 and 2022-23.

## 5 Non-cash grants

	2023-24 £'000	2022-23 £'000
Buddle/Club Matters – guidance and support for running a club	960	857
Creative assets of the This Girl Can campaign	511	1,364
Diversity and inclusion action plans	272	121
Safeguarding Code in Martial Arts	128	124
Commonwealth Games equipment distribution	93	-
Talent – Collaborative projects with UK Sport	-	138
<b>Total</b>	<b>1,964</b>	<b>2,604</b>

## 6 Staff costs

	2023-24 £'000	2022-23 £'000
<b>Permanent and fixed-term staff</b>		
Wages and salaries	8,703	7,976
Social security costs	960	918
Pension costs	1,653	1,677
<b>Total</b>	<b>11,316</b>	<b>10,571</b>
Agency staff	810	1,082
<b>Total staff costs</b>	<b>12,126</b>	<b>11,653</b>

Further details can be found in the Remuneration Report.

## 7 Sports development costs

	2023-24 £'000	2022-23 £'000
<b><u>Grant Programme Support Costs</u></b>		
Digital, Marketing and Communications	279	113
Partnerships	1,111	248
Place	514	649
Policy & Integrity	287	189
<b>Total grant programme support costs</b>	<b>2,191</b>	<b>1,199</b>
<b><u>Other sports development costs</u></b>		
Legal	50	179
Measurement surveys	2,161	2,016
Research	333	253
Facilities expertise and support	357	434
Planning data and guidance	149	133
Other sports development costs	394	187
Travel and subsistence	214	187
Irrecoverable VAT	1,428	1,103
<b>Total other sports development costs</b>	<b>5,086</b>	<b>4,492</b>
<b>Total</b>	<b>7,277</b>	<b>5,691</b>



## 8 Operating costs

	2023-24	2022-23
	£'000	£'000
Auditor's remuneration <sup>1</sup>	65	55
Board expenses	3	1
Communications	219	197
Internal audit and governance	61	34
Irrecoverable VAT	650	667
IT infrastructure and system costs	1,090	1,047
Legal	113	94
Other costs	257	(177)
Other staff costs	261	254
Property operating leases <sup>2</sup>	235	738
Other property costs	-	2
Staff training	180	112
Strategy	299	176
Travel and subsistence	221	130
Asset hire <sup>2</sup>	207	831
Defined benefit scheme administration charge	27	26
Grant outsourcing costs	71	-
IMS Impairment	-	881
<b>Total</b>	<b>3,959</b>	<b>5,068</b>

<sup>1</sup> No other payment was made to the auditors for non-audit work. The audit fees for the year were £65,000 (2022-23: £55,000).

<sup>2</sup> Included is the impact of IFRS 16 Leases on the Lottery share of operating leases and the asset hire recharge from Sport England Grant-in-Aid (see note 2).

## 9 Trade and other receivables

	2023-24	2022-23
	£'000	£'000
Trade receivables	655	589
Accrued income and prepayments	382	267
<b>Total</b>	<b>1,037</b>	<b>856</b>

## 10 Cash and cash equivalents

	2023-24	2022-23
	£'000	£'000
Balance at 1 April	1,406	1,366
Net change in Cash and cash equivalents	493	40
<b>Balance at 31 March</b>	<b>1,899</b>	<b>1,406</b>
Balances held with commercial banks	1,899	1,406

## 11 Trade and other payables

	2023-24	2022-23
	£'000	£'000
Sport England Grant -in-Aid	3,776	7,801
Trade payables	178	181
Accruals	1,262	2,159
<b>Total</b>	<b>5,216</b>	<b>10,141</b>

## 12 Grants payable

	2023-24 £'000	2022-23 £'000
<b>Grants payable at 1 April</b>	<b>543,176</b>	630,171
Grant commitments paid during the year	<b>(171,022)</b>	(200,110)
Grant de-commitments	<b>(11,350)</b>	(2,607)
Grants made in the year	<b>100,153</b>	115,722
<b>Grants payable at 31 March</b>	<b>460,957</b>	543,176
Amounts due during 2023 financial year	-	332,307
Amounts due during 2024 financial year	<b>230,061</b>	85,008
Amounts due during 2025 financial year	<b>117,652</b>	76,305
Amounts due during 2026 financial year	<b>108,711</b>	49,556
Amounts due during 2027 financial year	<b>3,633</b>	-
Amounts due during 2027 financial year	<b>900</b>	-
<b>Grants payable at 31 March</b>	<b>460,957</b>	543,176

Grant commitments payable in more than one year amount to £230.9 million (2022-23: £210.9 million). The allocation of commitments over the financial years is based on management's latest assessment of the likely timing of cash payments.

These assumptions are periodically reviewed and updated. The assumptions take into account that a number of these awards cover up to four years of revenue funding, which is paid over the period of the award.

## 13 Pension assets/liabilities

Sport England has a defined benefit scheme (benefits based on final salary) with the London Pension Fund Authority (LPFA), which was closed to new members on 30 September 2005. Sport England also operates a Group Personal Pension Plan (GPPP) defined contribution scheme, which is available to employees who commenced service from 1 October 2005 onwards.

### **Defined benefit LPFA scheme**

Sport England is one of a large number of employers whose staff participate in the scheme; however, the information given in this note relates only to the Sport England Exchequer portion.

The administering authority for the Fund is the LPFA. The LPFA Board oversees the management of the Fund, whilst the day-to-day fund administration is undertaken by the Local Pensions Partnership, in accordance with the Local Government Pension Scheme Regulations 2013.

The amounts disclosed in these accounts are the portion deemed to be apportioned to the Grant-in-Aid funded part of the scheme. As all scheme members are or were employees of Sport England, the pension deficit recorded in the Lottery Accounts would become part of the Grant-in-Aid pension deficit in the event of the Lottery Fund being wound up.

The scheme is funded by employee and employer contributions at actuarially determined rates based on current members. Additional employer contributions are paid into the scheme to reduce the deficit, as advised by the scheme's actuaries based on triennial valuations. The most recent triennial valuation was at 31 March 2022. Sport England will also make additional voluntary contributions to the scheme where it is appropriate and there is funding is available to do so.

Under Sport England's management agreement with its sponsoring department DCMS, all assets and liabilities on the defined benefit scheme will be passed to a successor body if Sport England were to be wound up. If there was no successor body, then the assets and liabilities would revert to DCMS.

In December 2018, there was a Court of Appeal judgment in relation to the McCloud and Sargeant cases, which relate to age discrimination in the Judicial and Fire Service pension schemes respectively. In June 2019, the Government was refused leave to appeal and the Government Actuary Department developed a methodology to estimate the impact of this judgment on those bodies that are part of the Local Government Pension Scheme. The impact based on this initial methodology has been included in the figures presented here at 31 March 2024.

The Ministry of Housing, Communities and Local Government (MHCLG) initiated a consultation into its proposals following this case in July 2020, the results of which may further inform how the impact of this case on pension liabilities and service costs is evaluated. The impact of any changes proposed in the consultation is not expected to be material. Any future developments arising from the consultation will therefore be considered in the valuation of the pension liability as of 31 March 2024.

The tables below show employee contribution rates and employer contributions for 2023-24 and 2022-23 and those that are expected to be made in 2024-25 for the Exchequer portion of the scheme.

## Employee contribution rates

2023-24 salary range		2022-23 salary range	
Up to £16,500	5.5%	Up to £15,000	5.5%
£16,501-£25,900	5.8%	£15,001-£23,600	5.8%
£25,901-£42,100	6.5%	£23,601-£38,300	6.5%
£42,101-£53,300	6.8%	£38,301-£48,500	6.8%
£53,301-£74,700	8.5%	£48,501-£67,900	8.5%
£74,701-£105,900	9.9%	£67,901-£96,200	9.9%
£105,901-£124,800	10.5%	£96,201-£113,400	10.5%
£124,801-£187,200	11.4%	£113,401-£170,100	11.4%
Over £187,201	12.5%	Over £170,101	12.5%

## Minimum employer contribution rates

	2024-25	2023-24	2022-23
% Employer contributions	6.4%	6.4%	6.4%

International Accounting Standard IAS 19 (2011) Employees Benefits requires the disclosure of additional information, in respect of Sport England's superannuation scheme. The information has been provided by the LPFA's consulting actuaries Barnett Waddingham. The actuaries have not made separate valuations for the Sport England Exchequer and Lottery liabilities.

The apportionment of the liability between Exchequer and Lottery is set out in the accounting policies (note 1.12).

## Employer membership statistics (Sport England)

	Number	Salaries/pensions £'000	Average age
Actives	39	2,131	53
Deferred pensioners	395	1,622	55
Pensioners	472	3,926	72
Unfunded pensioners	115	428	75

Represents membership data as at 31 March 2024 receiving funded and unfunded benefits.

## Financial assumptions (expressed as weighted average)

	2024 % per annum	2023 % per annum	2022 % per annum
Price increases – RPI	3.30%	3.30%	3.65%
Price increases – CPI	2.95%	2.90%	3.30%
Salary increase	3.95%	3.90%	4.30%
Pension increase	2.95%	2.90%	3.30%
Discount rate	4.90%	4.80%	2.60%

## Life expectancy assumptions from age 65

		2023-24 Years	2022-23 Years
Retiring today	Males	21.4	21.6
	Females	24.2	24.5
Retiring in 20 years	Males	22.9	23.1
	Females	25.4	25.7

The following information relates to the Lottery portion of the fund only:

## Statement of financial position disclosure

	2023-24 £'000	2022-23 £'000
Present value of funded liabilities	(66,328)	(66,713)
Fair value of employer assets	83,304	79,828
Present value of unfunded liabilities	(3,570)	(3,748)
Impact of asset ceiling	(14,951)	(7,691)
<b>Net liability in the Statement of financial position</b>	<b>(1,545)</b>	1,676
Liabilities	(69,898)	(70,461)
Assets	83,304	79,828
Impact of asset ceiling	(14,951)	(7,691)
<b>Net liability in the Statement of financial position</b>	<b>(1,545)</b>	1,676

## Amounts recognised in the Statement of comprehensive net income

	2023-24	2022-23
	£'000	£'000
Service cost	236	672
Net interest on the net defined benefit liability	(30)	54
Administration expenses	27	26
<b>Total</b>	<b>233</b>	<b>752</b>

## Remeasurement of the (net assets)/defined liability in Other Comprehensive Income

	2023-24	2022-23
	£'000	£'000
Return on plan assets in excess of interest	2,499	(744)
Other actuarial gains/(losses)	-	(215)
Change in financial assumptions	503	34,295
Change in demographic assumptions	860	2,277
Experience loss/(gain)	(224)	(5,603)
Changes in effect of asset ceiling	(6,891)	(7,691)
<b>Total</b>	<b>(3,253)</b>	<b>22,319</b>

## Changes in the present value of the defined benefit obligation

	2023-24	2022-23
	£'000	£'000
Return on plan assets in excess of interest	70,461	100,864
Service costs	236	672
Interest costs	3,312	2,802
Change in demographic assumptions	(860)	(2,277)
Change in financial assumptions	(503)	(34,295)
Contribution by members	89	98
Estimated unfunded benefits paid	(253)	(254)
Estimated benefits paid	(2,808)	(2,752)
Experience gains	224	5,603
<b>Closing defined benefit obligation</b>	<b>69,898</b>	<b>70,461</b>



In order to value the employer's liabilities as at 31 March 2024, Barnett Waddingham has rolled forward the actuarial value of the liabilities reported for the latest full funding valuation, using financial assumptions compliant with IAS 19. The full actuarial valuation involved projecting future cashflows to be paid from the fund and placing a value on them. These cashflows include pensions currently being paid to members of the fund, as well as pensions (and lump sums) that may be payable in future to members of the fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated liability as at 31 March 2024 without completing a full valuation. The actuary is satisfied that the approach of rolling forward the previous valuation to 31 March 2024 should not introduce any material distortions in the results provided that the actual experience of Sport England and the Fund has been broadly in line with the underlying assumptions and the structure of the liabilities is substantially the same as the latest formal valuation.

## Changes in the fair value of the plan assets

	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of employer assets	<b>79,828</b>	80,326
Interest on assets	<b>3,711</b>	2,748
Return on assets less interest	<b>2,499</b>	(744)
Actuarial losses	<b>-</b>	(215)
Administration expenses	<b>(27)</b>	(26)
Contributions by members	<b>89</b>	98
Contributions by employer	<b>265</b>	647
Estimated benefits paid	<b>(3,061)</b>	(3,006)
<b>Closing fair value of employer assets</b>	<b>83,304</b>	79,828

The major categories of plan assets as a percentage of total plan assets:

	<b>2023-24</b>		<b>2022-23</b>	
	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
Equities	50,438	61	45,947	58
Target Return Portfolio	14,371	17	14,528	18
Infrastructure	9,570	11	9,887	12
Property	7,621	9	7,673	10
Cash	1,304	2	1,793	2
<b>Total</b>	<b>83,304</b>	<b>100</b>	<b>79,828</b>	<b>100</b>

To calculate the asset share, Barnett Waddingham has rolled forward the assets, allowing for contributions paid into and estimated benefits paid from, the fund by and in respect of the employer investment returns, and its employees. Barnett Waddingham also makes an allowance for administration expenses, which are paid in respect of the fund. For the purposes of its calculations, it distributes fund administration expenses amongst the employers in the fund in proportion to their individual asset shares.

## Reconciliation of asset ceiling

	2023-24 £'000	2022-23 £'000
Opening impact of asset ceiling	7,691	-
Actuarial losses/(gains)	6,891	7,691
Interest on impact of asset ceiling	369	-
<b>Closing impact of asset ceiling</b>	<b>14,951</b>	<b>7,691</b>

The asset ceiling is the present value of any economic benefit available to Sport England in the form of refunds or reduced future employer contributions. The calculation of the asset ceiling has followed the actuary's interpretation of IFRIC14.

The calculations assume that:

- there is no prospect of Sport England having an unconditional right to a refund of surplus, on the basis that such a payment would be at the discretion of the fund;
- Sport England is an admitted body. As Sport England is closed to new entrants to this scheme, so the appropriate period of participation to consider is the future working life of the active members.

Primary contributions are considered to be a minimum funding requirement (MFR). It has been assumed that Sport England can benefit from its negative secondary contributions. The appropriate period of assessment for the present value of the negative secondary contributions is the lesser of their expected participation period and the surplus spreading period.

## Sensitivity analysis

Participating in this defined benefit pension scheme means that Sport England is exposed to a number of risks, including investment and interest rate risk with regards to the market values and returns of the fund assets. The benefits of the fund are also linked to inflation, whilst the fund assets are not, which gives rise to a risk that deficits may emerge as a result of this. There are also demographic risks, for example that members of the fund live longer than has been assumed.

In addition, as many unrelated employers participate in the London Pension Fund Authority Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations, so that the difference may fall on the remaining employers.

All of the risks above may also benefit Sport England; for example, higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

The sensitivity of the Sport England pension liability to changes in assumptions is as follows:

	£'000	£'000	£'000
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	68,966	69,898	70,850
Projected service cost	222	228	236
<b>Adjustment to long-term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	69,949	69,898	69,846
Projected service cost	228	228	228
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	70,815	69,898	68,998
Projected service cost	236	228	221
<b>Adjustment to life expectancy assumption</b>	<b>+ 1 Year</b>	<b>None</b>	<b>- 1 Year</b>
Present value of total obligation	72,713	69,898	67,200
Projected service cost	238	228	220

## Projected pension expense

	Year to 31 March 2025 £'000
Service cost	202
Net interest on the defined liability/(asset)	126
Administration expenses	25
<b>Total loss/(profit)</b>	<b>353</b>
<b>Employer contribution</b>	<b>71</b>

These projections are based on the assumptions as at 31 March 2024. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2024.

## Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2024 were £836k (2022-23: £761k). There were no amounts outstanding or pre-paid at 31 March 2024 (2022-23: £nil).

Contribution rates <sup>1</sup>	
Employee	Employer
3.0%	5.0% <sup>2</sup>
4.0%	5.0%
5.0%	8.0%
6.5%	11.0%
8.0%	11.0%
10.0%	11.0%

<sup>1</sup> Contribution rates apply to all salary levels

<sup>2</sup> Relates to auto-enrolment

## 14 Contingent Assets and Liabilities

### Sale of Olympic Park

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675 million to the funding of the London 2012 Olympic and Paralympic Games.

The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority (GLA) dated 29 March 2012, which sets out the distribution of funds between the GLA and the Lottery Distributors (via the core department).

We continue to engage with the GLA on forecasts for land sales on the Olympic Park.

### Grant commitments

Contingent liabilities amounting to £14.6 million (2022-23: £3.1 million) comprise of grant commitments where the conditions of the funding remain under the control of Sport England.

## 15 Capital commitments

There are no capital commitments as at 31 March 2024 (2022-23: £nil).

## 16 Related party transactions

The following table details where Key Management Personnel (Board and Committee Members, Executive Directors and principal decision-makers) declared a current or past interest relating to Sport England's Exchequer funding.

The related party transactions are in relation to:

- grant awards made during the year ended 31 March 2024. Decommittments are shown in brackets;
- grant awards unpaid at 31 March 2024.

In a number of cases there may be relationships not disclosed in the tables below, as a result of no awards being made to the third party during the year.

Key management personnel	Grants awarded £'000	Balances receivable/ (payable) at 31 March 2023 £'000	Organisation	Relationship type
<b>Tim Hollingsworth</b>	(5,000)	(21,356)	Football Foundation	Board member
	500	-	Access Sport	Partner: Board member
<b>Lizzie Hanna</b>	9	-	Leicester Tigers	Partner: Employment Immediate Family: Employment
<b>Alison Selfe</b>	-	(13,739)	British Cycling Federation	Immediate Family: Member
<b>Rashmi Becker</b>	299	(1,216)	CIMSPA	Member
<b>Natalie Daniels</b>	-	(7,500)	Greater London Authority	Assistant Director Housing in Regional Government
<b>Jason Fergus</b>	13	-	Active Essex Foundation	Trustee
<b>David Mahoney</b>	5,000	(11,776)	England and Wales Cricket Board	Director
<b>Elena Narozanski</b>	(5,000)	(21,356)	Football Foundation	Trustee
<b>Helene Raynsford</b>	-	(2,988)	UKActive	'Everyone Can' Task Force member

Sport England is a non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS).

DCMS is regarded as a related party and during the year Sport England had material transactions with DCMS.

The English Sports Council Grant-in-Aid is also a related party as there were material transactions during the year.

At year end, Sport England National Lottery Distribution Fund had the following balances outstanding with other Government bodies:

	<b>Receivables</b>		<b>Payables</b>	
	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balances with other DCMS				
Government bodies	–	56	–	–
Balances with other central				
Government bodies	<b>219,553</b>	195,994	<b>(1,425)</b>	(1,425)
Balances with academies	–	–	<b>(271)</b>	(852)
Balances with local authorities	–	–	<b>(91,048)</b>	(88,086)
Balances with NHS trusts	–	–	<b>(4,316)</b>	(5,247)

During the year, Sport England National Lottery Distribution had the following transactions with other Government bodies:

	<b>Receivables</b>		<b>Payables</b>	
	<b>2023-24</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Transactions with other DCMS				
Government bodies	<b>58</b>	139	–	(125)
Transactions with other central				
Government bodies	–	–	<b>(1,008)</b>	(2,343)
Transactions with academies	–	–	<b>(24)</b>	292
Transactions with local authorities	–	–	<b>(27,486)</b>	(22,149)
Transactions with NHS trusts	–	–	<b>(507)</b>	(4)

## 17 Derivatives and other financial instruments

Sport England Lottery relies on its share of proceeds from the National Lottery, with some partnership funding to finance its operations. Items such as trade receivables and trade payables arise from its operations. Sport England does not enter into derivative transactions.

Sport England Lottery undertakes all transactions in Pound Sterling and therefore has no currency exchange risk. Sport England does not enter into any forward foreign currency contracts or similar financial instruments.

Sport England Lottery does not borrow money and therefore has no exposure to interest rate or liquidity risk in this regard.

Cash balances are held in a commercial bank account and attract market rates of interest.

### **Liquidity risks**

The bulk of the financial assets of Sport England Lottery are held by the NLDF.

The Board recognises that its grant commitments and other payables exceed the value of funds in the NLDF. However, the Board considers that Sport England is not exposed to significant liquidity risks as it is satisfied that Sport England will have sufficient liquid resource to cover all likely grant payments and other liabilities in the coming year.

If there were a long-term decline in Lottery income, the Board would adjust its annual grant budgets to compensate for the decline.



## **18 Ultimate parent body and domicile**

Sport England is the trading name of The English Sports Council (ESC) and is funded through a combination of National Lottery funding and grant-in-aid from the Department for Culture, Media and Sport, which classifies the ESC as a non-departmental government body. The ESC was originally established by Royal Charter in 1972 (as The Sports Council); this was amended in 1996 and from 1 January 1997 the ESC was launched. The organisation is domiciled in the UK. The accounts of ESC Group are available from its registered office at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

## **19 Events after the reporting period**

There were no post-balance sheet events between the year end and when the accounts were authorised for issue on the date the Comptroller and Auditor General certified the accounts. The financial accounts do not reflect events after this date.



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