SPORT ENGLAND BOARD - MINUTES
8 February 2018
Sport England, Rooms 11-13, Lower Ground Floor, 21 Bloomsbury Street, London, WC1B 3HF

Chairman: Nick Bitel

Members: Debbie Jevans (DJ)
Denise Barrett-Baxendale (DBB)
Kate Bosomworth (KB)
Ian Cumming (IC)
Chris Grant (CG)
Wasim Khan (WK)
Andy Long (AL)
Karen Pickering (KP)
Charles Reed (CR)

Attendees: Jennie Price (JP)
Mike Diaper (MD)
Charles Johnston (CJ)
Lisa O’Keefe (LOK)
Chris Perks (CP)
Phil Smith (PS)
Andrew Honeyman (AH)
Kate Dale (KD) (Item 2)
Dave Newton (DN) (Item 2)
Simon Macqueen (SMac) (Items 2 & 3)
Naomi Shearon (NS) (Item 3)
Kevin Mills (KM) (Item 4)
Pat Brosnan (PB) (Item 5)
Caroline Fraser (CF) (Item 6)

Secretariat: Tanya van Niekerk (TvN)

WELCOME

1. Apologies were received from Sport England Officer Rona Chester. Board member DBB would need to leave the meeting at 1:30pm.

2. The Board noted the recent appointment of Nick Pontefract as Chief Operating Officer of Sport England. Nick’s anticipated starting date was 19 March.

3. There were no declarations of interest.
4. The minutes of the Board meeting held on 13 December 2017 were **APPROVED** as a correct record. In response to a question from the Board, PS said that all National Governing Bodies (NGBs) had now submitted Diversity Action Plans (in line with the requirements of the Code for Sports Governance). There was some reflection on the quality of the plans received. Whilst they represented a reasonable starting point, with all NGBs having met the requirements and submitting compliant plans, there was a lot more to do to achieve the level of change required across the sporting landscape. NGBs would be expected to continuously improve their diversity action plans and to work to foster diversity across the sector.

5. The Board **NOTED** the Matters Arising from the Board meeting on 13 December 2017 and earlier meetings, all of which had been completed, carried forward or dealt with elsewhere on the Board’s agenda. The Board noted the English Federation of Disability Sport’s 2018/19 KPIs, which had been developed following a review of 2017/18 performance, and proposed investment in 2018/19.

**CEO REPORT**

6. JP introduced the report.

**This Girl Can Phase Three Implementation**

7. DN presented the item, noting that over the last three years, This Girl Can (TGC) had successfully raised female participation, boosted women’s confidence and increased their sense of belonging, with the latest research showing that 3.9 million women had taken action as a direct result of the campaign. More needed to be done however as Sport England had recently set specific and stretching targets for a further increase of 250,000 in the number of women who regularly engage in sport and physical activity.

8. While the campaign had resonated with all demographic groups, it had been more effective with some than with others. If Sport England was to achieve its objective of reaching more women, particularly those from lower socio-economic groups and BAME backgrounds, investment would be required to create and distribute targeted messaging and activities across a wide spectrum of media channels. The Board discussed the challenge for the campaign of focusing on channels that resonated with these target groups whilst at the same time ensuring support for the existing online community of women to stay engaged and involved.

9. The Board supported the proposed move away from TV advertising to a campaign which was focused on social and digital media channels, noting that those communities who may not be regular users of social media, for example BAME communities, would be reached through other channels such as targeted local out-of-home (billboard) advertising. These were planned in up to 10 areas and would be allied to the Local Delivery Pilots, thus helping to create impact at local level.
10. The Board discussed the strategic challenge for both the brand and the creative agencies with whom Sport England would work to develop a creative vision which was reflective of the current market and the significant shifts around female empowerment/the female voice. The creative brief would need to clearly articulate where the brand sat within this new environment.

11. The Board reflected on the importance of the quality of experience for women and asked what qualitative and quantitative data on this aspect of insight was currently available. Sport England had used pilots, for example TGC Swim, to try to understand the journey women go on from the time they see the campaign through to taking up activity, and what the experience needed to be to make it positive. Sport England was using this learning to engage with operators and influence change, and strong focus would be placed on getting the experience right in all areas of significant intervention (i.e. running, swimming, fitness classes and gyms).

12. The Board noted the implications should Section 27 approval from DCMS not be forthcoming.

13. The Board noted the importance of building strategically aligned commercial partnerships that would add value and lead to a reduction in the reliance on public funding. Members were reassured that as well as exploring opportunities in the private sector, Sport England was looking at opportunities for working with public sector organisations, such as Public Health England.

14. The TGC investment was of significant importance to Sport England and as such the Board requested a regular progress report - the frequency of which was to be determined by Sport England Officers - as well as sight of the activation plan, once developed.

15. The Board APPROVED the investment of up to £3 million per annum (plus VAT) for the next three years into the This Girl Can campaign.

2017-18 Annual Report and Accounts – summary of proposed content and timeline

16. At its meeting on 24 January, the Audit Committee agreed the proposed structure, content, timeline and costs for delivery of the 2017-18 Annual Report and suggested that Board members be given the opportunity early in the process to comment on the structure and content of the Report. The Audit Committee had discussed the importance of ensuring a balanced narrative that both highlighted Sport England’s achievements in the past year and set out the challenges and intent going forward.

17. DN presented the item, drawing the Board’s attention to the proposed key themes of the Report. The Board agreed that the themes were focused on the right areas, with the exception of the ‘people’ piece (i.e. Volunteering and Workforce) which should be added.

18. The Board NOTED the update.

Update on Sport England's Diversity work
19. JP set out the equality and diversity (E&D) work which had taken place since the last update to the Board in December.

20. The new Head of England Talent Inclusion, whose role it was to increase Sport England’s capability and resource in this area, was now in post; the Executive had participated in an unconscious bias training session which had been very well received; and work was progressing to draw together a group of relevant and committed colleagues from across the organisation to own the E&D work. Whilst the group would require some specific skills, all staff would be welcome to express any interest in joining the group, or being involved in the work through other methods of contribution. The challenge was to ensure the organisation was working and thinking broadly about all aspects of E&D whilst at the same time being specific about the E&D strategy and tactics. Work was continuing to develop the E&D dashboard of indicators which would be monitored by the Board and could be regularly reported on.

21. The Board noted that the way in which the organisation was starting to think about and talk about E&D issues was encouraging.

Tackling Inactivity and Economic Disadvantage Fund

22. MD presented the item.

23. Tackling Inactivity and Economic Disadvantage (TIED) funding is part of Sport England’s investment portfolio 2017-2021. It is the second round of dedicated inactivity funding, and is using £3 million Lottery funding to support inactive people from lower socio-economic groups to fit activity (at least 30 minutes) into their lives in ways that work for them.

24. The TIED funding was split between three distinct areas of work: supporting larger projects aimed at inactive people who are in employment but struggle to make ends meet (pot A) and inactive people who are less likely to have a steady income and face more extreme disadvantage (pot B); and 5% of the funding ringfenced for smaller awards (between £1k and £10k) to support either of the two audiences described above (pot C). Due to the availability of additional Exchequer budget, all of the projects receiving funding from pot C had been awarded funding in 2017-18 allowing all of the £3 million Lottery funding to support the larger projects (pots A and B), and awarded in 2018-19. MD explained that the quality of bids had been very high and that he was therefore seeking Board approval to increase the £3 million Lottery budget by up to £1.5 million to fund a wider range of projects and to ensure that as many of the strongest projects which had moved to a stage two assessment could receive awards.

25. The Board reflected on the challenges of reaching hyper-local organisations representative of the types of audiences Sport England wants to reach through this fund, and how engagement with these types of organisations was often better achieved through smaller investments.

26. The Board discussed the role of Sport England in helping smaller organisations to better ‘tell their story’ and articulate why they might be suitable for funding. It was agreed that Sport England would review unsuccessful pot C applications to see if any more could
proceed to award. This review would identify if there were achievable changes they could make which might make them eligible for funding. In undertaking any reviews to allocate the additional funding, the Board emphasised the need to apply the original criteria, but noted that Sport England officers would also undertake further work to ensure that the award criteria were not applied in such a way that it made it difficult for smaller organisations to be able to comply.

27. The Board APPROVED the recommendation of an increase of up to £1.5 million to the existing £3 million Tackling Inactivity and Economic Disadvantage budget (totalling up to a maximum of £4.5 million), with funding to come from the £8 million to be awarded in 2018-19 to tackle inactivity. The Board AGREED that a portion of the funding should support further pot C awards given the review of unsuccessful applications.

Design and Technical Assurance Framework Agreements

28. CJ presented the item. The Facilities and Planning team was seeking to enter into multi-provider framework agreements in 2018 for Design and Technical Assurance (Project Monitoring Services which would run for a period of up to four years to support the delivery of the current strategy). These were renewals of previous four-year agreements for similar services in continuing to deliver best practice in design and cost guidance within the leisure sector for sport and physical activity spaces, lead on the generation of active environments, influence behaviour change, and increase participation in facilities and spaces.

29. In response to a question from the Board, CJ said that most of the providers on the framework agreement were based outside of London. Furthermore, this procurement generally attracted competitive rates and good value for money.

30. The Board APPROVED the recommendation, subject to the CEO and Strategic Lead for Finance signing off the full Business Case, for the procurement for up to a four-year term for Design and Technical Assurance Frameworks up to an overall value of £4 million (subject to securing approximately £1 million per annum of Exchequer Funds).

Strategy Summary

31. JP presented the report. There had been no significant changes to the RAG ratings since the last report to the Board in December 2017. JP highlighted some of the work which had taken place in the Children & Young People, Volunteering and Mass Market areas of work.

32. Tackling people’s confusion about messages relating to physical activity (for example how much they should do) was emerging as one of the key tactics to reduce inactivity. Sport England had committed to work collaboratively with Public Health England on a physical activity messaging and communications strategy focusing on those who are inactive. The Board recognised the challenge of crystallising what was a complex message into a simple message and reflected on how crucial it would be to get the tone right.

33. PS provided an update on the British Mountaineering Council’s (BMC) application for Core funding, reflecting on the quality of the application and noting that an independent review
of the BMC’s governance structure was currently underway. The BMC was expected to make significant changes to its governance structure as a result and Sport England was therefore considering extending the BMC’s deadline to meet the Governance Code standards.

34. CP provided an update on the Local Delivery Pilots work. Since writing the report, meetings had taken place with over half of the projects. Discussions were focused on what whole system change meant and enshrining the principles of the programme. Some exciting opportunities were emerging in Manchester where an extensive active travel plan for the city was in development and offered real opportunities for Sport England in terms of insight, approach and evaluation. The Board reflected on the importance of engaging with hyper-local groups in each of the pilot places as sufficient hyper-local buy-in would be critical in terms of ensuring investment reached communities at the right level.

35. The Parklife Programme was gathering momentum, with three sites in Sheffield operational and construction underway on four hubs in Liverpool and two hubs in Ealing, with Eastleigh also due to start on site soon. In response to a question from the Board, CJ confirmed that the Programme was part of the open data initiative which currently was gathering only opportunity data, however, when it moved on to look at other types of data careful consideration would need to be given to compliance with the new General Data Protection Regulations (GDPR). The Board reflected on the general level of concern within the sports sector about the impact of GDPR. Sport England was working with the Sport and Recreation Alliance to develop clear advice for organisations in the sector to help them to prepare.

36. LOK advised the Board that Sport England would be revising some of the recent Active Lives Adult Survey statistics after identification of a technical software issue. As a result of the issue, people doing exactly 150 minutes of physical activity had been classified as fairly active, rather than active. This meant that the figures published to date had under-reported the number of people who were active by a relatively small amount. This was a technical problem and had not impacted or affected the quality of the data collected, nor how that data was processed. LOK described the ONS protocol that had to be followed in instances of under-reporting and noted that a communication in line with the requirements of that protocol about the issue had been placed on the Sport England website. In response to a question from the Board, LOK confirmed that because of the timing of the strategy and the nature of Sport England’s interventions, no funding decisions had been made or funding allocated on the basis of the originally published data, and there was no impact in terms of how the organisational targets had been set.

37. PS provided an update on progress with Parkrun. Areas of discussion included ensuring alignment with the emerging Investment Strategy priorities; how best to work flexibly with this kind of organisation which was relatively new to Sport England; how to support their existing business model to reach Sport England’s target audiences; and how Sport England funding would be managed within Parkrun’s governance structure. A solicitation agreement would be brought to the Board for approval, following which the Investment Committee would look at the detail of the bid prior to final approval of the investment by the Board. As the Sport England Chairman was conflicted due to involvement with Parkrun, DJ would chair the meetings for the consideration of this item.
38. The Board **NOTED** the report.

*NS joined the meeting.*

**INVESTMENT STRATEGY**

39. JP presented the item, the purpose of which was to provide an update on the progress made on the Investment Strategy and to help prepare and frame the decisions being presented to the Board in March and April.

40. Since the presentation to Board in December, officers had met with individual Board members to help understand how best to engage members through the process of delivering the investment strategy work and bringing the Board as a collective on the journey. This feedback had helped shape the process itself, with a key area of feedback being to ensure the Board was given the opportunity to understand the significance of the priorities selected, the hierarchy amongst them, the interdependencies that exist between them, and how they will be applied as a framework for Sport England’s decision making and delivery.

41. JP described the priorities within the three areas of focus – Engagement Priorities, Sector Change Priorities and Internal Priorities - their purpose and how they connected with each other. Sport England Officers had worked through the Engagement Priorities and rationalised the number of tactics that the organisation planned to invest in against each of the outcomes.

42. The Board said that it was helpful to start to see how some of the priorities aligned with the targets. Members would value seeing an overlay that showed what percentage of investment had been allocated to each priority and where decisions on targets and investments had already been reached (i.e. colour-coding to illustrate how much was already in place and how much was still in progress), as well as a timeline setting out the key decision-making points.

43. The start and end dates of the period that the targets applied to had been agreed with DCMS and ensured that Sport England would be measuring the impact of a full four years of delivery (with the baseline being the first Active Lives data point released in January 2017 and the final period of measurement being between November 2019 and November 2020, with the final data point being published in March 2021). The Board reflected on the importance of maintaining focus on how the organisation was delivering against the targets throughout the four-year period and critically, maintaining flexibility – staying open to opportunities but also being able to move quickly to address any areas where the targets were not being achieved, or were not on the right trajectory. LOK said that the Active Lives data could provide some evaluation and impact assessment of each investment programme, as well as data on some projects within the programmes.

44. JP set out the work that the Executive would be doing to review the remaining priorities and agree a recommended portfolio of investments to present to the Board in March.
45. Sport England’s staff and structure would be critical to delivering the priorities. Recruitment was almost complete, with the number of staff rising and an agreed Grants Management (GM) structure now being consulted on. The Board was reassured that the new GM structure had continuity in terms of the retention of staff and that the system would provide a quality solution that best supported the customer experience.

46. Sport England would need to carefully consider how it communicated with the sector to build trust in the organisation’s leadership role. Celebrating some of the successes of the investment programmes and new ways of working that were achieving good results and starting to demonstrate real change in the sector would help to further build the organisation’s credibility. Distilling this communication down to a simple message or messages which brought the strategy to life would be vital.

47. The Board highlighted the importance of sharing insight. Sport England had undertaken numerous consultation sessions (for example through the Local Delivery Pilots), a large part of which had been about sharing insight about how to change behaviours and the positive impact this could have. Sport England had employed an experienced communications person, part of whose role it was to think about how best to package the raft of learnings for external consumption.

48. The Board NOTED the confirmed timeframe for the delivery of the agreed targets and DISCUSSED the investment strategy approach ahead of the March and April Board.

NS and SMac left the meeting. KM joined the meeting.

PRIVATE CAPTIAL FUND

49. CJ presented the item, which updated the Board on the progress made with the Private Capital Fund initiative and requested approval from the Board in principle to establish the process and mechanism to deliver the fund. CJ noted that Sport England had a commitment of £1 billion to the fund from one investor, should the Board choose to approve the proposal. CJ described the characteristics of the fund, how it would be built and governed, and the potential risks.

50. The Board was broadly supportive of the approach, noting that most Pension Funds were looking for steady, long term returns and this presented a good opportunity to direct some of that funding toward the Local Authority Leisure Market.

51. The Board noted that when the Time Value of Money principle was applied, the Private Capital Fund was potentially more expensive than Public Works Loan Board (PWLB) borrowing. However, the view of the Board was that the increased availability of capital would be a useful option for meeting the strong demand for new or extensively refurbished facilities in the local authority sector. The fact that the loan would be fully repaid at the end of the term without the ‘ballon’ type payment incorporated in some PWLB arrangements may be an attractive alternative. Further work on this was being carried out as part of the PWC review of the Fund; and all individual investment decisions would be subject to an assessment by the relevant Local Authority.
52. The Board recognised there could be potential reputational risk to Sport England should these schemes run into any difficulties in the future.

53. A key element of Sport England’s due diligence process would be ensuring there was nothing in its Management Agreement with DCMS or its broader operating framework as an Arm’s Length Body that would prevent it from supporting a fund in the way described in the paper. There was active dialogue with DCMS about the proposal and it was supportive of the direction of travel.

54. The Board noted that there were a number of legal issues that required careful consideration to protect Sport England from any potential liability and/or reputation risks that needed to be considered, and it was Sport England’s responsibility to undertake due diligence. The organisation would therefore be seeking legal or other appropriate professional advice as required to give the Board the level of assurance needed to enable members to consider approval of the proposal.

55. The Board asked to what extent Sport England could help to direct this fund towards investing in projects that reached its priority audiences. CJ said that whilst the investment model depended on a certain level of demand, there was some opportunity for Sport England to focus on particular areas of choice. Officers were also working on a low-cost model (investments of less than £10 million) that could potentially sit behind this fund and be better suited to targeting particular audiences.

56. The Board APPROVED the development work outlined in the paper on the Private Capital Fund and DELEGATED AUTHORITY to the Investment Committee to discuss and support the development of the process, mechanism and governance arrangements. A further report would be made to the Board on the legal and due diligence issues, on which advice was currently being sought.

KM left the meeting. PB joined the meeting.

THE FOOTBALL ASSOCIATION – CORE MARKET AWARD

57. PB presented the item, the purpose of which was to update the Board on developments regarding Sport England’s Core Market investment into The Football Association (The FA), specifically in relation to the funding originally intended for the Respect programme (£700,000) within the overall award of £14,600,000.

58. An area of concern was the inclusion of the Respect programme within Sport England’s award, which the Board agreed should be funded by the organisation itself rather than with public funds. It was agreed to explore alternative uses for this element of the overall award, and it had been suggested it could be applied to the FE/HE hubs programme.

59. Two further options for alternative investments were considered: The FA’s ‘Just Play’ recreational football programme, targeting locations and growth in participants from lower socio-economic groups; and The FA ‘Wildcats’ programme for girls aged 5-11, seeking to grow the number of girls introduced to the game and to give them a positive, fun experience of sport. Since the time of writing the paper and following further discussion
with The FA, it was proposed that the ‘Just Play’ programme offered greater opportunity for growth in those audiences which Sport England prioritised.

60. The Board considered the other option to remove the £700,000 funding entirely in the context of the overall assumptions on the Lottery income budget and the importance of demonstrating a fair and consistent approach to all funding decisions. The Board had approved £20.4 million savings. There were further reductions to be made and the Executive would provide the Board with a set of options for consideration in due course (as part of the Investment Strategy work). In terms of consistency of approach, The FA’s original proposal had been developed and submitted against the funding criteria set out in the NGB Investment Guide and there was some concern that reversal at this stage could be deemed unfair and open to challenge.

61. Concerns were expressed about the ongoing issues in football and the Board discussed the fundamental question this raised for Sport England.

62. Sport England had a significant role to play in helping these organisations to drive reform. Sport England must continue to send clear messages to the sector, both about the need for reform and Sport England’s willingness to withdraw funding from those organisations which did not take clear and decisive action to address areas of concern.

63. It was noted that the requirements of the Code for Sports Governance extended beyond the constitutional structure of organisations to all aspects of governance. Sport England would take account of the way it applied the Code to leverage the organisations in which it invested to make meaningful reform. In particular, it would set high standards in those areas where substantial reform was needed, for example, whilst all NGBs’ had submitted Diversity Actions plans that were compliant, Sport England would continue to work with the organisations towards achieving the highest standards of commitment in this area of compliance. Where organisations did not address areas of concern to the satisfaction of Sport England, there was clear recourse towards the removal of funding / no future funding of these organisations.

64. The Board recorded a MAJORITY DECISION to repurpose £700,000 from The FA’s Respect Programme to its ‘Just Play’ programme, subject to the Investment Committee reviewing the final details of the programme, including the KPIs, and satisfying itself that the programme represented a good investment for Sport England.

65. The Board noted that support to the ‘Just Play’ programme would give Sport England greater leverage to influence change, to focus programme delivery towards the needs of lower socio-economic groups and to align the delivery to these communities. The Board AGREED that taking explicit account of recent recreational football insight should be added as a condition to the investment, with a more detailed proposal presented to Investment Committee for sign off.

66. The Board AGREED that it was important for Sport England to send a strong message to the whole sector about the importance of compliance with the Code for Sports
Governance. The appropriate timing and detail of such communication should be determined by Sport England officers.

*DBB and PB left the meeting. CF joined the meeting.*

**PROPOSALS FOR INVESTMENT IN LOCAL WORKFORCE**

67. CF presented the item, the purpose of which was to outline proposals to develop a programme of investment to support the development of workforce at the local level.

68. Sport England had recently changed its relationship with County Sports Partnerships (CSPs) and in line with this, the Board had approved a package of investments under the new ‘Primary Role’ framework which required CSPs to have a strong understanding of the needs of people and places in their locality and to be able to establish partnerships with a broader range of organisations. Each CSP had accepted these strategic priorities and it was important to now support them to develop plans that would ensure that the people involved in the process of implementation were best equipped to achieve their aspirations. CF described the proposed actions to expedite this process.

69. The Board supported the general direction of travel but was keen to ensure the approach did not result in any unintended consequences, for example, any gaps in need as a result of moving from directly supporting the development of coaching to supporting a broader workforce development infrastructure, and the potential impact on those individuals in CSPs who were currently in coaching posts. CF said that part of the rationale for the proposed one-year transitional funding was that it would allow Sport England to work with the CSPs to ensure that the current delivery capacity and expertise was safeguarded and that if any gaps were identified, they could be addressed.

70. The Board reflected on the importance of fostering a more customer focused workforce and providing the best possible customer experience for those Sport England was seeking to engage. How the organisation worked with its strategic partners and experts to influence and shape the provision of those services would be crucial.

71. The Board **APPROVED** the approach outlined in the paper and the investment of £2.5 million in this work for a transitional year, 2018/19.

*CF left the meeting.*

**MINUTES FROM COMMITTEE AND SUBSIDIARY COMPANY MEETINGS**

72. The Board **NOTED** the minutes from the Committee and Subsidiary Company meetings.

**AOB**

73. The Chair updated the Board on the progress of the Board member recruitment. The advertisement had attracted 68 applications with a good proportion of those from women
and declared BAME and/or disability characteristics. Interviews would take place in February and March, following which DCMS would confirm the announcement date.

74. At its meeting on 2 February 2017, the Board approved a High-Performance award of £1,000,000 to the Basketball Federation (BBF) for 2017-18. PS said that Sport England had received a representation from the BBF requesting to extend this award by up to £1,150,000.

75. The Board **APPROVED** an increase to the 2017-18 High-Performance award of up to £150,000 (taking the total award amount to up to £1,150,000) to the Basketball Federation.

The meeting closed at 1:50pm

**PRIVATE SESSION**

76. A private session for the Board Members and CEO was held.