



GOVERNANCE & FINANCE COMMITTEE (GFC)

Meeting Minutes – 5 December 2018

Present: Simon Le Fevre (SLF) in the chair
 Andrew Flatt (AF)
 Margaret Moore (MM)
 David Pond (CEO)
 Chris Conway (CC)

In attendance: Lewis Fairfax (LF) Hogan Lovells

Item	Minute	Action
1.0	<u>Introduction & Declaration of Interests</u>	
1.1	SLF welcomed everyone to the meeting and asked whether there were any declarations of interests specific to the meeting. No such interests were declared. He specifically welcomed CC who was attending his first meeting as a member of the GFC.	
2.0	<u>Apologies & Quorum</u>	
2.1	SLF noted that there were no apologies.	
2.2	SLF confirmed that the meeting was quorate.	
3.0	<u>Minutes of the GFC Meeting on 18 September 2018</u>	
3.1	SLF made reference to the action points in the GFC meeting minutes dated 18 September 2018 (the " Previous Minutes ").	
3.2	Subject to a number of amendments, which were agreed and incorporated into the revised version of the minutes of the GFC meeting on 18 September 2018, the Previous Minutes were approved.	
4.0	<u>Actions Arising & Identification of AOB</u>	
4.1	It was noted that the actions carried over from the previous meeting had all either been addressed at GBWR's Board of Trustees ("BOT") meetings or were on the agenda for this GFC meeting.	
5.0	<u>Statutory & Regulatory Compliance</u> <i>Annual Control & Risk Management Processes Review (Paper)</i>	
5.1	SLF explained to the Committee that he, AF and the CEO had recently reviewed GBWR's control and risk management mechanisms. He presented a paper which assigned a red/amber/green status to each process depending on whether it was in place as required or working as it should. He noted that there were a couple of amber items which had been identified for improvement.	

5.2	<p>SLF highlighted that the paper also showed the proposed consolidation of GBWR IT systems. The CEO explained that at present GBWR IT systems were reliant on support from the RFU, and were not ideally coordinated for security, integrity of data or accessibility of information all in one place. It was proposed to get advice on how the system could be improved, and a service provider, Microtrading Ltd, was presenting to GBWR in January on how they could improve the systems.</p>	
5.3	<p>AF noted that the quote that the service provider had given was manageable given the potential gain in productivity and security. SLF noted that Microtrading Ltd was on the list of service providers provided by the Sport & Recreation Alliance.</p>	
5.4	<p>CC asked whether the consolidation would be a long-term fit for GBWR and still be a solid platform in 3-4 years' time. The committee agreed to provide CC with a copy of the proposal before the presentation in January so he could consider it.</p>	DH/CEO
	<p><i>Diversity Action Plan (Paper)</i></p>	
5.5	<p>The CEO presented the Diversity Action Plan. He noted that it would be discussed more fully at the Board of Trustees level next week, but summarised for the Committee that his view was that GBWR had made progress on diversity but there was still further to go.</p>	CEO
5.6	<p>The CEO explained that he had attended a couple of events by Inclusive Boards, and understood the importance of diversity being driven downwards from the BOT rather than expecting it to come up from the grassroots. The priority for the BOT was to identify a 'board champion' for diversity who would drive it through the organisation in the coming year.</p>	
5.7	<p>MM asked whether it was a better approach to align GBWR's diversity action with Sport England's agenda or what charities were doing.</p>	
5.8	<p>The CEO explained that it was important to meet Sport England's requirements, which were drawn from the Code for sports Governance, as it funded GBWR. He explained that nevertheless GBWR wanted to go further and was participating in initiatives such as the This Girl Can campaign at grassroots level.</p>	
5.9	<p>SLF noted that the GBWR Board was one of the clear areas of focus for diversity, both in terms of gender and in terms of BAME representation. This would be a priority for the board champion.</p>	
	<p><i>Safeguarding</i></p>	
5.10	<p>The CEO again noted that this would be discussed at Board level on 12 December and so provided a short summary for the Committee. He noted that GBWR were (after several years without any safeguarding concerns being flagged) currently dealing with a small number of safeguarding incidents, although he considered that they were in hand and were expected to be resolved satisfactorily in line with the relevant processes.</p>	
5.11	<p>The CEO noted that, organisationally, GBWR was still reliant on an</p>	

	<p>external consultant for safeguarding advice. This was expensive and made a significant impact on the safeguarding budget. The CEO explained that Sport England was developing a collective safeguarding solution for some NGBs, but it would be based in the Midlands and therefore would not be so helpful for GBWR.</p> <p>5.12 The CEO informed the GFC that a number of NGBs were working together on another collective safeguarding resource which seemed promising, depending on the eventual implementation.</p> <p>5.13 The CEO explained that it was proposed to continue with the current external consulting arrangements for the next 12 months in light of uncertainty about either of these processes. While recruiting a part-time internal safeguarding officer had been considered, owing to difficulties in recruiting such personnel on a part-time basis, this was not viable.</p> <p>5.14 The CEO added that he considered that the current arrangement meant that GBWR safeguarding capabilities were sufficient to deal with any issues which arose; the only issue was the cost.</p>	CEO
<p>6.0</p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p> <p>6.5</p> <p>6.6</p>	<p><u>September Management Accounts (Paper)</u></p> <p>AF commented on the September management accounts to the Committee. He noted that a couple of adjustments relating to understated income would be made, which meant that he was satisfied with the accounts and financial position generally.</p> <p>AF flagged two overspends: on safeguarding, and on the website. He said that the Senior Management Team was aware of these overspends and could manage them, and these overspends were mitigated by corporate spend as a whole being better than budgeted.</p> <p>He noted that it was predicted that fundraising sponsorship income would fall short of budget by £70,000 to £100,000. The CEO added that this had deliberately been set as an ambitious target in the budget and so the shortfall was not cause for concern. An under-spend of £55,000 to £60,000 against budget effectively balanced out most of the deficit in fundraising.</p> <p>The CEO added that GBWR would shortly be hearing back about its application to the DCMS/UK Sport Aspiration Fund, which could mean a significant source of income for GBWR.</p> <p>As to next year, the CEO estimated that GBWR would need £300,000 to £400,000 to meet basic costs and deliver the GB National Team programme. He considered that, especially as there were substantial sums in reserves, GBWR would be able to meet this target.</p> <p>SLF highlighted to the Committee that UK Sport was currently dealing with a court case about whether athletes receiving Athlete Performance Awards from UK Sport were 'employees' of UK Sport or the relevant NGB. He explained that a ruling that they were would have major implications on the funding process and for UK Sport and NGBs in terms of back payments of pensions and tax in respect of employees.</p>	SMT

7.0	<u>Review of NGB Policies (Paper)</u>	
7.1	SLF presented a paper prepared by DH which set out GBWR's NGB policies and their review status, such as when they were last reviewed and how often they were reviewed. He hoped this would help to keep track of when reviews were due and how often GBWR should be reviewing its policies.	
7.2	The CEO noted that the deadlines listed on the review were internal deadlines rather than external ones. SLF added that there were, however, requirements to review policies regularly under the Code for Sports Governance, although the exact review period depended by policy. He suggested that this paper would help the Committee to decide which policies should be reviewed as a priority.	
7.3	The CEO noted that some of the dates on the sheet needed amending.	SLF/DH
7.4	The CEO added that certain Organisational Disciplinary Policies and HR Policies were currently being reviewed by Hogan Lovells. He suggested that he and AF could review the Financial Management Policies and the Gifts and Hospitality Policy quite quickly, and they agreed to do so before the next meeting.	CEO/AF
7.5	SLF added that the Committee should check whether the versions listed in the paper had actually been updated. He suggested that he and DH would consider including a further section to cover reviews associated with the Terms of Reference of GBWR's various committees, and that DH would cross-check with Sport England and Code for Sport Governance documentation to ensure that GBWR had all the policies in place that it was required to.	SLF/DH
8.0	<u>Club Affiliation (Paper)</u>	
8.1	SLF presented a paper showing, as a flow chart, the updated process of Club Affiliation. It had been developed by AF, DH and SLF with input from the Development Directors and RDOs following two sessions to prepare it.	
8.2	SLF explained that the main point for the Committee was the process of checking that the affiliation requirements had been satisfied. It had been concluded that the RDOs did not have the knowledge of finance or governance to be able to state whether applications for affiliation were adequate. As such, relevant Members of the GFC would review documentation which came in between meetings, in order to make a decision on recommending affiliation at the following GFC meeting.	
8.3	SLF said he expected that he and DH would review the governance aspects, and AF and CC the financial aspects of any application for affiliation, with MM as an independent reviewer to consider and challenge any conclusion made by the initial reviewers.	DH/SLF/AF/CC/ MM
8.4	SLF added that there was a desire from the RDOs to have all well-established Clubs go through the affiliation process as quickly as prudent	

	during the coming 12 months. He suggested that decisions on affiliation could be made by BOT written resolution in the interim where an application was straightforward.	
8.5	SLF explained that this was the culmination of a substantial overhaul of the policies and rules around Club Affiliation, and that it would be put before the Board of Trustees for approval.	SLF
8.6	He flagged the importance of considering the structure of an applicant club, as the affiliation process would need to treat them differently depending on how they were structured, and their adaptation of GBWR policies to their structure would be on an individual basis. This, along with the preparation of advice for Clubs on how to prepare their annual report once affiliated (to ensure consistency of information) along with a template for them were the next steps.	SLF/AF/DDs/ RDOs
8.7	The CEO thanked AF and SLF for their work helping the clubs and RDOs through this process. He said that feedback had been very positive and that they had greatly contributed to understanding of and familiarity with the Affiliation process. AF added that it was important to keep up momentum and ensure that more Clubs were affiliated.	
9.0	<u>2019/2020 Budget Plan (Paper)</u>	
9.1	The CEO presented his 2019/2020 budget plan to the Committee. He stated that the plan reflected previous discussions with the Committee, although a timing issue meant that the final plan would be confirmed by the BOM on 6 February in the morning, and then reviewed in the afternoon at the scheduled GFC meeting. It would then go for final approval by the BOT on 20 February.	
9.2	The CEO informed the Committee that the draft plan in front of them was unlikely to change materially after being reviewed by the BOM.	
10.0	<u>AOB</u>	
10.1	SLF enquired whether GBWR was up to date with Companies House and Charities Commission filings for recent changes to the BOT and the Articles. AF and the CEO stated that they believed this to be the case. The CEO said he would check to ensure that the Charity Commission website referred to GBWR's 2017 Articles rather than the previous 2015 Articles.	CEO/DH
10.2	SLF noted that the next BOT meeting would take place on 12 December 2018. He reminded the Committee that a number of governance steps and appointments had been approved by Board Resolution between BOT meetings, and that these would need to be recorded in the minutes of the next meeting. He said he would review what needed to be recorded and inform the BOT.	SLF