

8 December 2017

Damian Collins MP
Chair of the Digital, Culture, Media and Sport Committee
House of Commons
LONDON
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Digital, Culture, Media and Sport Select Committee Inquiry: Sports Governance

I am writing in relation to the current inquiry into sports governance having had the opportunity to review some of the evidence submissions you have received. I am happy for this letter to be included as written evidence to the Committee inquiry and am copying the Committee Clerk for these purposes.

The Alliance would particularly encourage members of the Committee to take as broad a view of possible on the current state of sports governance and the challenges that the sector is facing. While things have gone wrong in the past, and the sector must and does recognise this, the sector has been working hard to change internal cultures and practices so that such events do not occur in future. We are concerned that there has been a pervasive sense of negativity and a failure to recognise the hard work of sports organisations to raise overall standards.

When viewing sport and recreation's standards, it is important to place a current assessment of sports governance into context: in terms of historical development and the relative performance of the sport sector compared with other sectors. This is demonstrated by the considerable progress the sector has made since 2011, when the Alliance first published *The Voluntary Code of Good Governance for Sport and Recreation*. *The Voluntary Code* had a significant impact on the sector, demonstrated through research which suggested that 90% of organisations surveyed were working towards some or all of the principles in the Code.¹ The success of the Voluntary Code led to the re-launch of the documents as *The Principles of Good Governance* earlier this year. With over 100 signatories signed up from across the sector, *The Principles* demonstrate both the strength and breadth of commitment to governance improvement from across a wide range of organisations, driven by a belief in the importance of good governance of itself and not just to secure funding.

Likewise, it is important to place the governance of sport in a wider context. Sports governance is often compared unfavourably to standards of corporate governance yet other sectors which arguably have more mature and sophisticated governance arrangements in place, have encountered many of the same challenges. As an example, recent scandals at both RBS and Rolls Royce demonstrate that other sectors are not immune to governance failures and underline the point that effective governance requires a focus on culture and behaviours as well as compliance. Indeed, there is a strong argument that sport is now leading the way in some areas of governance – for example the *Code for Sport Governance* goes beyond the *FRC Corporate Governance Code* with the establishment of mandatory minimum targets for 30% gender diversity on boards.

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¹ Sport and Recreation Alliance & Birkbeck University of London, *An Impact on the Voluntary Code of Good Governance for the Sport and Recreation Sector: A report for the Sport and Recreation Alliance*, October 2015

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Some of the signatories to the *Voluntary Code* and now *The Principles*, have also to meet the specific requirements set out in *A Code for Sports Governance* as part of their funding agreements with the Sports Councils. However, an excessive focus on compliance alone, rather than a commitment to changing the culture and behaviour of the Boardroom, can be unhelpful. Longer term, systemic change will ultimately help sports organisations embed genuine and sustainable governance practices.

Moreover, we hope the Committee will note the important role of volunteers, who often given up hours of their time for free to make sport and recreation happen. Even in the very largest sports organisations, many of those responsible for the governance of their organisation are volunteers and we need to ensure that governance requirements support them in their role.

In making recommendations for further development, I would encourage you to examine not only the levels of compliance and governance standards within individual organisations, but also to consider the appropriateness and quality of ongoing support provided to the sector by the sports councils. To achieve sustainable progress across sport, there must be advice and support available which is accessible, of high quality and provides practical and actionable recommendations.

I look forward to discussing these issues further when we meet in the New Year. In the meantime, the Alliance would be happy to provide any further information if you have any specific questions to follow up.

Yours sincerely

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cc: Chloe Challenger, Committee Clerk, Digital, Culture, Media and Sport Committee