

Move Congress 2013

Mikkel Larsen, Governance Officer

The logo for the Sport+Recreation Alliance is positioned diagonally across the lower half of the slide. It features the words "SPORT+", "RECREATION", and "ALLIANCE" stacked vertically in a bold, white, sans-serif font. The text is set against a background of several parallel diagonal stripes in shades of blue, green, and yellow.

**SPORT+
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Friday, 18 October 2013

Governance:

Why is it so important that the sport and recreation sector gets it right?



Overview:

- Who we are (the Sport and Recreation Alliance).
- The political landscape sport operates in.
- Historical reasoning behind the landscape.
 - From no involvement to governance requirements.
- Sport taking responsibility
 - “comply or explain”
 - Voluntary Code and BBSS
 - capacity building.
- What will happen if we don’t get it right.

Sport and Recreation Alliance



What is the Alliance?

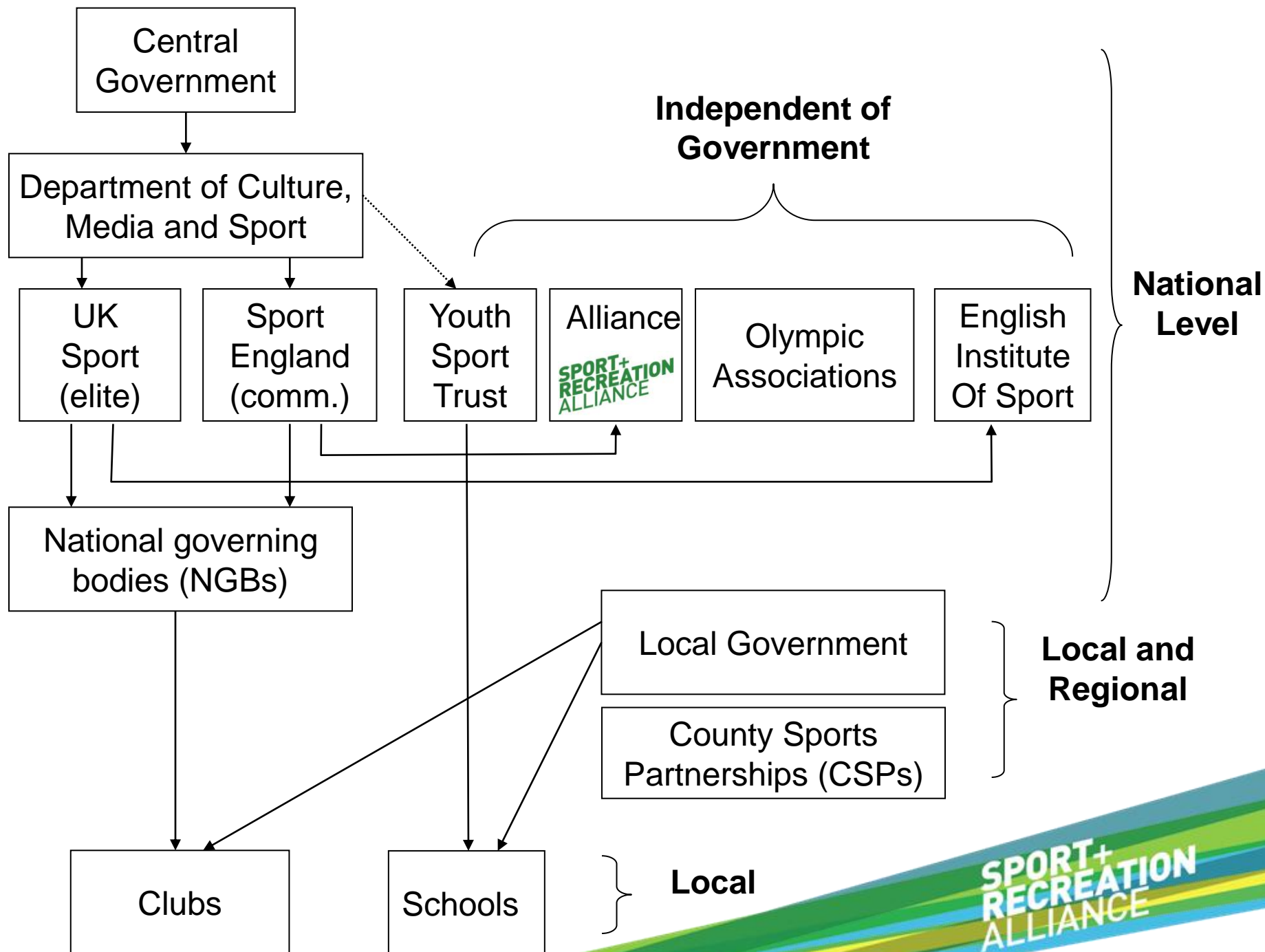
- Founded in 1935.
- Started life delivering sporting opportunities.
- Owned all the national sports centres.
- 1972 government set up the sports councils.
- The Alliance handed over its assets – in exchange the Alliance receives funding from Sport England and have taken on a new independent role.

Political Landscape



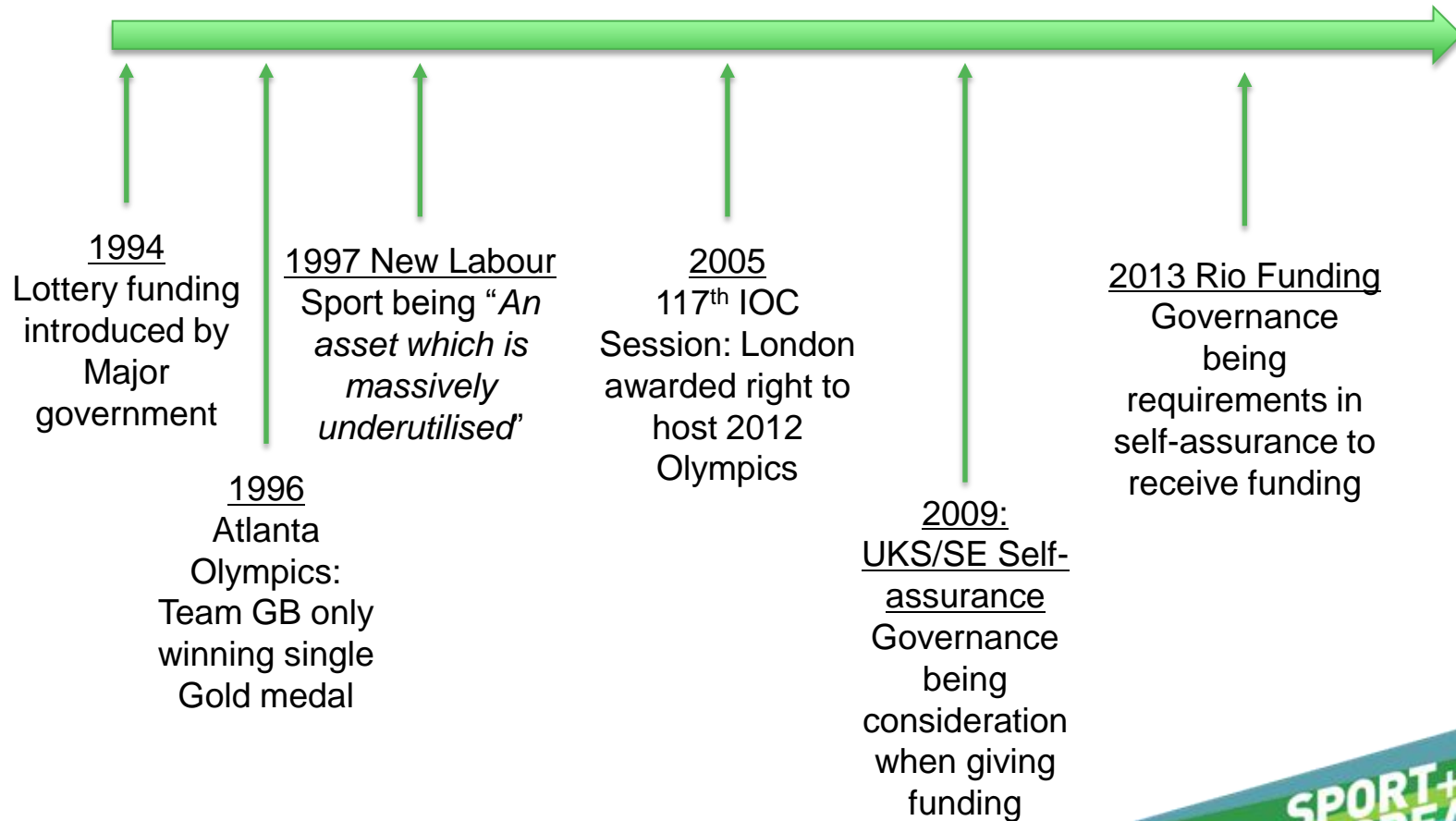
UK landscape:

- Complexity – the bowl of spaghetti.
- Largely because until recently there has been limited central control of sport.
- Absence of a strong regional structure in UK at the moment – unlike in continental Europe.



Historical development

From John Major via New Labour to Coalition



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Historical development

Consequences have been:



More money being invested into sport has resulted in requirements in how sport is governed.

It's understandable that taxpayers money must be protected from misuse – sport needs to be transparent and accountable with its money.



However...

One size **does not** fit all.

How can sport take responsibility?



Comply or explain

HOME

LATEST NEWS & BLOGS

Sportswomen of the Year Awards: Nominate now
Nominations for the Sportswomen of the Year Awards 2013 are now open. The awards, launched by The Sunday Times and Sky Sports, is supported by the Sport and Recreation Alliance, UK Sport, Sport...

The Sport and Recreation Alliance tries...rounders

Welcome to another instalment of the Sport and Recreation Alliance tries... which describes the Alliance's staff trying out sports or activities that they have never done before and showcases...

Rugby League World Cup 2013: the challenges, the legacy and what to look forward to

With the UK and Ireland opening its doors to the Rugby League World Cup 2013 (RLWC2013) later this month the Sport and Recreation Alliance caught up with Nigel Wood, Rugby Football League CEO and...

Take a journey back in time with video of first artificial ski slope opening

On 5 October it is the 50th anniversary of the first ever permanent dry ski slope in the UK, based at Barton Hall Torquay. The slope, operated by the Torquay Alpine Ski Club (TASC), was launched in...

Top tips for undertaking an annual performance review (or annual appraisal)

Gillian Lloyd, Director and Principal Consultant for SHE:Q, the HR consultancy and training firm, discusses appraisals and how you can get the most out of them. Ask your managers which task they

Comply or explain: Why sports should learn from corporate governance practice



Mikkel Larsen, governance officer at the Sport and Recreation Alliance, talks about what the sports sector can learn from corporate governance practices and how a 'one-size-fits all' doesn't work.

If the UK wants to have the most successful sporting sector in the world, then it also has to be the best governed in the world. But why?

The Alliance offices are located within the City of Westminster, less than three miles from the Bank of England. London is a special city with its history of free trade and as being a global centre of power and finance. The city is one of the top financial centres of the world – with many of the world's largest financial institutions having their headquarters located here.

Knowing that, we shouldn't be surprised that London, and the UK, has played an important, if not leading, role in defining what corporate governance is.

Stockbrokers, investment bankers and other investors (love them or hate them) quickly discovered that corporate governance was essential for an effective market to be able to operate – which is why we today are able to talk about a specific "UK approach" to corporate governance.

What the UK approach has created is a system which combines high standard of corporate governance with relative low associated costs – a system that has been ranked the best in the world by [Governance Metrics International](#).

What has made this system so successful is the [Cadbury Committee](#) defining a set of high-level overarching principles of what good governance is combined with a flexibility in how principles are adopted.

This gives companies the freedom to adopt the approach which is most appropriate to their circumstances – or to quote the Cadbury Committee:

"The effectiveness with which boards discharge their responsibilities determines Britain's competitive position. They must be free to drive their companies forward, but exercise that freedom within the framework of effective accountability. This is the essence of any system of good corporate governance."
- The Cadbury Report p.10

This approach is also named **comply or explain**.

Comply or explain asks companies to comply with the provisions of the UK



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Comply or explain

If it good enough for the private sector...



Financial Reporting Council: UK Corporate Governance Code – Made UK ranked best in the world.



Voluntary Code of Good Governance for Sport and Recreation Sector.



Better Boards, Stronger Sport toolkit.

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Comply or explain

If it good enough for the private sector...



10 features of good sports boards:

1. Act in the best interest of the sport.
2. Define the role of the board and evaluate their performance.
3. Establish a balanced competency-based board.
4. Set the vision and mission and provide leadership on the strategy.
5. Establish effective controls.
6. Act with transparency and be accountable to stakeholders.
7. Engage with sporting and non-sporting bodies.
8. Work as a team.
9. Focus on membership.
10. Promote good governance throughout sport.

Show we are ready to govern

Building capacity in the sector...



Two-day training course in partnership with Europe's biggest membership organisation for business leaders.

Equipping directors with the skills needed to be responsible leaders.

"If we want to argue that we should be left free to govern – we need to show that we have the skills to govern!"

Fighting regulation

What will happen if we don't get it right...

We still have the chance to get it right – the autonomy of sport is still acknowledged:

“The Commission acknowledges the autonomy of sporting organisations and representative structures (such as leagues). Furthermore, it recognises that governance is mainly the responsibility of sports governing bodies”

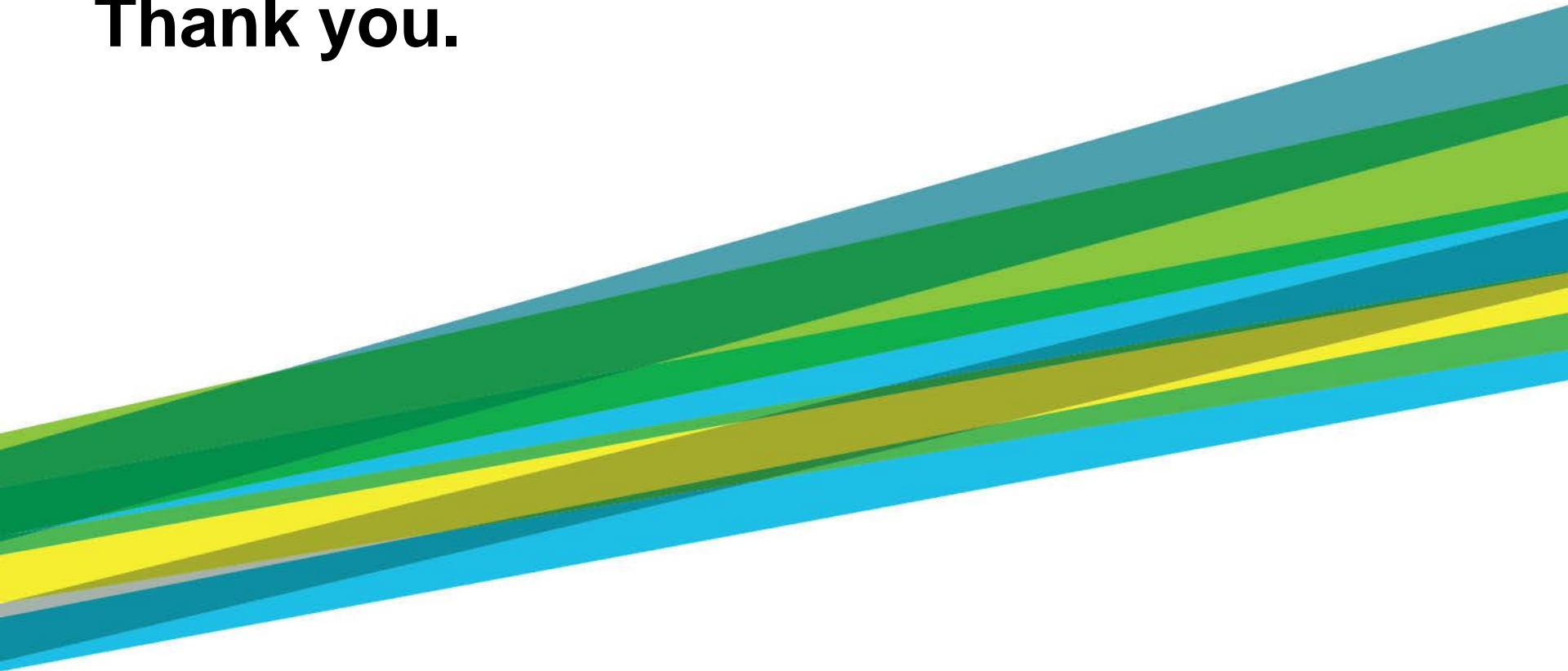
- White Paper on Sport, 2007 (p. 13)

But if we don't show significant progress:

“It's clear that no change in the areas of governance, financial regulation, transparency and the involvement of supporters is not an option”

- Hugh Robertson, ex Minister for Sport

Thank you.



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