

# **SPORT WALES ANNUAL REPORT**

**LOTTERY DISTRIBUTION  
ANNUAL REPORT AND ACCOUNTS**

**2020/21**



Noddir gan  
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Yn dyfarnu arian / Awarding funds from  
**Y LOTERI GENEDLAETHOL  
THE NATIONAL LOTTERY®**

# SPORTS COUNCIL FOR WALES LOTTERY DISTRIBUTION ACCOUNT

1 APRIL 2020 - 31 MARCH 2021 - ANNUAL REPORT AND ACCOUNTS

## HISTORY AND STATUTORY BACKGROUND

The National Lottery etc Act 1993 (as amended) nominated the Sports Council for Wales (known by its trade name, Sport Wales) as the body responsible for distributing funds generated by the lottery to sport in Wales. The duties of Sport Wales in performing its Lottery functions are carried out pursuant to the account directions issued by the Secretary of State for Digital, Culture, Media and Sport, in accordance with Section 26(1) of the National Lottery etc Act 1993 and the Statement of Financial Requirements issued under Section 26(3) of the Act.

## MANAGEMENT

The management and administration of the Lottery function is carried out through the Sports Council for Wales and the panels established by Sport Wales to assist in distributing Lottery funds to good causes in Wales.

## REGISTERED OFFICE

Sophia Gardens, Cardiff, Wales, CF11 9SW.

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2020, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £926 million.



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# A MESSAGE FROM LAWRENCE CONWAY, CHAIR

**WITH THE SUPPORT OF WELSH GOVERNMENT, AND WORKING WITH THE SPORTING COMMUNITY ACROSS WALES, WE HAVE BEEN DOING EVERYTHING POSSIBLE TO TRY AND ENSURE THAT SPORT IN WALES WILL BE IN A POSITION TO THRIVE AGAIN AFTER THE PANDEMIC.**

I am very grateful to the Welsh Government for the speed with which they have enabled us to re-deploy funding and for the very considerable additional resources made available to us to support the sector through the crisis. In addition, the flexibility that Welsh Government has given us to channel resources to meet emerging situations as they arose has been immensely important.

This support from Welsh Government, together with repurposed National Lottery money has enabled us to meet the needs of our partners, protect hundreds of sports clubs from going under, save facilities from permanent closure, and also help clubs and organisations to restart activities when it has been safe to do so.

Prior to this year, we had never supported profit-making businesses. They were a new audience for us, but we ventured into new territory because it was the right thing to do. We were the first country in the UK to support this part of the sport sector and we were delighted to do so.

Long before the pandemic began, we had been focused on reducing the inequalities that exist in sports participation. Evidence gathered during the last year shows that this focus is needed now more than ever, so we must double our efforts to remove barriers to sports participation and engage with new audiences.

One positive to take from the current situation is that it gives us a unique opportunity to make changes that could improve the way sport is delivered in the future. If it wasn't working before, let's do it better.

I would also like to congratulate our CEO, Sarah Powell, on her appointment as CEO for British Gymnastics. Sarah will be leaving Sport Wales in October, and I want to thank her for her hard work and commitment during her time with Sport Wales. We wish you all the best in your new role.

**LAWRENCE CONWAY, SPORT WALES CHAIR**

# PERFORMANCE OVERVIEW

**WHEN WE LAUNCHED OUR NEW STRATEGY TWO YEARS AGO, WE COMMITTED TO BECOMING MORE AGILE IN ORDER TO FULFIL OUR VISION OF A WALES WHERE EVERYONE IS ACTIVE. LITTLE DID WE KNOW THEN THAT THE NEED TO EVOLVE AND ADAPT QUICKLY WOULD BE TESTED QUITE TO THE EXTENT IT HAS DURING THE LAST YEAR.**

I'm extremely proud to say that my colleagues have risen to the challenge with tremendous professionalism and dedication. Thanks to their commitment, skills, and enormous reserves of resilience, we have been able to support all corners of the sporting community in one way or another.

I'd also like to express my gratitude to each and every member of the Welsh sporting family for the way they have rallied together to support others. They have played a vital role in keeping people safe and healthy by adhering to the rules and adapting to the guidance as it has evolved.

Of course, we can't take our eyes off the ball yet. No-one knows how long the effects of this awful crisis will be felt, and the true impact that this will have on the many clubs, businesses and livelihoods that enable sport to thrive across the length and breadth of Wales.

However, the importance that the Welsh Government has placed on exercise during the pandemic gives me strong belief that greater focus will be given to ensuring we become a more active nation and that everyone has better access to all of the benefits that come from being active, both physically and mentally. Sport will continue to unite and inspire the nation and play a central role in Wales' recovery.

As we look to the future, we will use the lessons from this past year as we recover, re-engage and re-invigorate the sector, working tirelessly to ensure that everyone can have a lifelong enjoyment of sport.

**SARAH POWELL, SPORT WALES CEO**

“

**SPORT WILL CONTINUE TO UNITE AND INSPIRE THE NATION AND PLAY A CENTRAL ROLE IN WALES' RECOVERY.**

”



# APRIL 2020 – KEEPING THE SPORTING FAMILY AFLOAT

## **MANY WELSH COMMUNITIES WERE ALREADY IN DIRE NEED OF FINANCIAL SUPPORT IN SPRING 2020 AS THEY WERE REELING FROM SOME OF THE WORST WINTER FLOODING IN MEMORY.**

Sports pitches and clubhouses across the country had been put under several feet of water as rivers burst their banks when Storm Dennis left a trail of devastation in February 2020.

However, another storm was brewing, and when the seriousness of the global coronavirus crisis struck the UK one month later and the reality of a national lockdown set in, there was a pressing need for a financial lifeline to help Welsh sport deal with the immediate difficulties everyone was facing.

As meetings became Zoom calls and everyone adjusted to working from home in March 2020, the Sport Wales workforce quickly mobilised to support the Welsh sporting sector in every way possible.

### **SUPPORT FOR CLUBS**

Less than three weeks after the country was told to stay home to save lives, and community sport came to a standstill, a brand new 'Emergency Relief Fund' had been established. It's a process that could take months under normal circumstances, but staff and resources were quickly allocated so that support could be put in place at a time when the sector needed it most.

Using Welsh Government money, the Emergency Relief Fund supported not-for-profit sports clubs who had either experienced recent flooding problems or were likely to need immediate financial support for the subsequent 12 weeks so that they could remain an important part of their communities. During the first four days of the fund being open, Sport Wales received over 150 applications. By the time the Emergency Relief Fund closed in June 2020, hundreds of clubs had been saved from folding thanks to more than £600,000 being awarded.

### **SUPPORT FOR PARTNERS**

In recognition of the turbulent times, Sport Wales' funded core partners (national governing bodies, local authorities and other national partners such as the Urdd) were informed that they had greater flexibility for how they chose to use the £25.77m in direct 'partnership agreement' funding they shared at the start of 2020/21.

Partners were also boosted at the end of April 2020 by Sport Wales' announcement that it would also be managing an £8.1m Sport Resilience Fund comprised of an additional Welsh Government investment and re-purposed National Lottery funds. The main objective was to use the Sport Resilience Fund to protect

Welsh sport for the future, as well as making it possible to develop new and innovative ways of keeping people active during the crisis.

Extensive engagement took place with Sport Wales' partners to discover their needs. Regular online meetings and sector-wide forums helped Sport Wales gain a good understanding of the challenges that partners were facing to ensure that the resources could be put to maximum use. Based on the insight gathered, it became clear that the varying needs of the sector could be broken into three distinct groups;

- One funding stream was required to provide additional support for Sport Wales' funded partners (local authorities, national governing bodies and national partner organisations) based on their individual needs.
- A second funding stream was needed to support the nine not-for-profit Leisure Trusts operating in Wales who play a vital role in the sport infrastructure, providing a wide range of activities and managing a range of facilities.
- Thirdly, it was decided that there should be an 'open' funding stream designed to support clubs and organisations. This became the Be Active Wales Fund, which was launched in July 2020.

Through the Sport Resilience Fund, £1,454,984 was invested into 14 National Governing Bodies, nine Leisure Trusts received £521,000 and five national partners were awarded £279,378. The majority of the funding was used either to protect organisations' finances or to prepare for sport's safe return.



# EMERGENCY RELIEF FUND AT A GLANCE

NUMBER OF  
APPLICATIONS:

737

NUMBER OF SUPPORTED  
APPLICATIONS:

342

AMOUNT  
AWARDED  
£605,240

## THE FIVE AREAS TO RECEIVE THE MOST EMERGENCY RELIEF FUNDING

1. **Pembrokeshire** – 33 successful applications, £59,230 awarded
2. **Caerphilly** – 15 successful applications, £40,889 awarded
3. **Swansea** – 24 successful applications, £39,928 awarded
4. **Cardiff** – 20 successful applications, £37,901 awarded
5. **Carmarthenshire** – 24 successful applications, £37,897 awarded

## THE FIVE SPORTS TO RECEIVE THE MOST EMERGENCY RELIEF FUNDING

1. **Bowls** – 81 successful applications, £130,103 awarded
2. **Cricket** – 69 successful applications, £110,067 awarded
3. **Football** – 76 successful applications, £96,223 awarded
4. **Golf** – 18 successful applications, £78,538 awarded
5. **Rugby Union** – 14 successful applications, £43,637 awarded

## EMERGENCY RELIEF FUND IN ACTION

Wrexham-based football club Brickfield Rangers were one of the hundreds of clubs saved by the Emergency Relief Fund. As they usually rely on members' subscriptions and bar takings to help pay the bills, the fact that there were no matches or training throughout the early months of the coronavirus pandemic meant virtually no income.

Without an £800 grant from the Emergency Relief Fund, the club would have faced a struggle to keep going. Speaking in June 2020, club chairman Paul Hooson said: *"The Sport Wales money has been a lifeline. I'm not saying that without it, the club would have disappeared, but it's meant we have been able to pay the bills and keep going."*

*"Without it, we would have been forced to shut everything down and then there could have been potential problems with vandals and the like. We have been able to pay some utility bills and put some towards our ground maintenance programme, which is crucial at this time of the year. We also have affiliation fees coming up which need paying, so without this grant then we could have been facing massive problems."*



# ENGAGING DEVELOPMENT OPPORTUNITIES FOR COACHES

**THE RESTRICTIONS ON TRADITIONAL FACE-TO-FACE MEETINGS DURING 2020/21 LED THE COACHING SECTOR IN WALES TO EXPLORE MANY NEW AND INNOVATIVE WAYS OF PROVIDING COACHES WITH ENGAGING DEVELOPMENT OPPORTUNITIES.**

Here are a couple of examples of how Sport Wales funding was used by partners to create a more blended approach to learning...

## WELSH ATHLETICS

Thanks to financial support from Sport Wales, and with the Home Nations Athlete Federations as project partners, Welsh Athletics developed and implemented an online learning platform for coach and official education. Alongside this, a blended learning website and webinar platform was developed to improve accessibility for course attendees as well as giving them more flexibility to access workshops from a place of their choosing.

## FAW TRUST

Using Sport Wales funding, the FAW Trust were able to continue developing their new digital app/platform to improve the experience of players and coaches across the game. They produced digital resources to give ongoing support and informal education, provide professional development opportunities, connect the football community across Wales, and enable daily interactions with grassroots coaches.

## SPORT RESILIENCE FUND IN ACTION

Halo Leisure, who operate leisure services in Bridgend County Borough, were one of the nine leisure trusts to receive support from the Sport Resilience Fund. They used their £55,000 allocation to install wi-fi at seven facilities, set up online fitness classes, adapt software for online memberships, purchase tablets for entry and bookings, and to pay for staff training. The funding was also used to make the facilities Covid-safe so that they could re-open.



# MAY 2020 – THE #BEACTIVEWALES CAMPAIGN AND HOW TECHNOLOGY KEPT US CONNECTED

**WITHIN DAYS OF THE UK-WIDE LOCKDOWN BEING IMPOSED, SPORT WALES LAUNCHED THE #BEACTIVEWALES CAMPAIGN TO PROVIDE INSPIRATION AND TIPS TO HELP THE WELSH PUBLIC STAY MOTIVATED AND ACTIVE DURING THE PANDEMIC.**

The benefits of being active were highlighted at a national level with exercise acknowledged as one of only a few essential reasons to leave the house. As the initial restrictions only permitted one door-to-door walk, run or cycle a day outside of the house or garden, the **#BeActiveWales** campaign began with a focus on something that would go on to become a 2020 phenomenon – the home workout.

## CREATIVE WAYS TO STAY ACTIVE

Sport Wales entered the home fitness market with a selection of easy-to-follow workout videos that had a Welsh flavour and which were suitable for three different fitness levels. The separate gentle, general and advanced videos all did exactly what they said on the tin. The gentle options followed NHS approved exercises that would get the heart rate up nicely, while the general and advanced routines had the added appeal of being designed by Sport Wales' strength and conditioning coaches who support elite athletes. Each bilingual video was presented by either a current athlete or a sport presenter who demonstrated how accessible the routines were.

An entire section of the Sport Wales website (in both English and Welsh) was dedicated to the Be Active Wales campaign, featuring not only the suite of home workout videos, but also video content

produced by partners, as well as nutritional advice, reminders of the benefits of exercise, and a range of ideas to keep children active and entertained. Sport Wales' specialist 'Play to Learn' and 'Dragon Multi-Skills and Sport' resources, which are used in schools and education settings across the country, were made available for free online during lockdown. Everyone was shown how they could use a bit of creativity to find new ways of being active, regardless of their circumstances.

## HEALTHY BODIES AND MINDS

The campaign also had a big focus on mental health and keeping a positive mindset. Sport Wales' psychologists teamed up with some of the biggest names in Welsh sport who spoke candidly about how they were looking after their mental health and wellbeing during lockdown.

Themed weeks were created to help keep the campaign fresh and to build momentum. Some of the themes included a look at sport's community heroes and a focus on support for older people. Following the ethos of the Sport Wales strategy, the **#BeActiveWales** campaign was something for the entire sector to get behind, with that unity making it easier for the public to

cut through the noise on social media to find the exercise resources and vital information they needed. Local authorities, National Governing Bodies, clubs, schools and health boards were among those who either shared Sport Wales' social media content or used the **#BeActiveWales** hashtag when posting their own content. Within two weeks of the campaign's launch, the hashtag had reached 1.5m social media users.

As Covid restrictions changed, the campaign followed suit, providing easy-to-understand information on how the latest guidelines impacted on sport and physical activity. Be active, safely, was the key message as sport restarted and the directive was equally clear when activities had to pause once more around Christmas time.

## YOU'RE ON MUTE

Sport Wales' Club Solutions website continued to offer practical advice for clubs, such as how to bring club members together virtually during lockdown. As training nights became quiz nights, many coaches who had previously been technophobes had to quickly familiarise themselves with Zoom calls and the perils of a mute button. It was all part of what coaches do to make club members feel part of something bigger – a community.

The Club Solutions website highlighted countless examples of how clubs across Wales went the extra mile during this period to stay connected. Ammanford AFC kept the friendly banter going by setting up a virtual FIFA gaming tournament which raised more than £1500 for the NHS and a foodbank operating in the area of the winning club. Valleys Gymnastics brought some light relief by digging out old photos of coaches and challenging its members to Guess the Baby, while Llantwit Fardre Walking Netball Club were among those clubs using closed Facebook groups to help tackle isolation.

## THEY SAID

**"In the current situation it's obvious you have to make the most of exercise time for both your health and your sanity."**

Phil Bennett, Welsh rugby legend giving his advice in May 2020 for fellow over-70s as part of the Be Active Wales campaign.



# JUNE 2020 - UNDERSTANDING THE IMPACT OF COVID-19

## **SPORT WALES TEAMED UP WITH SAVANTA COMRES TO CARRY OUT THREE SURVEYS RUN AT DIFFERENT POINTS OF THE PANDEMIC (IN MAY 2020, OCTOBER 2020 AND MARCH 2021)**

The surveys provided a fascinating insight into how different restrictions impacted on physical activity and sport, as well as the attitudes of people in Wales towards exercise during and after the strict lockdown periods.

Sport Wales also commissioned Sheffield Hallam University's Sport Industry and Research Centre to evaluate Covid-19's impact on jobs, spending and the size of the sports economy. Here are the key findings...

## **SURVEY HIGHLIGHTS – MAY 2020**

### **THIS SURVEY WAS CONDUCTED BETWEEN 8 – 12 MAY 2020 WHEN WALES WAS IN LOCKDOWN AND ORGANISED SPORT WAS NOT POSSIBLE EITHER OUTDOORS OR INDOORS. LEISURE CENTRES AND GYMS WERE CLOSED.**

#### **ACTIVITY LEVELS**

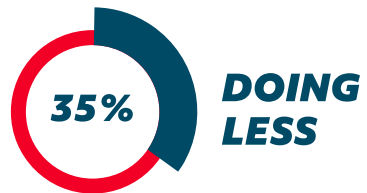
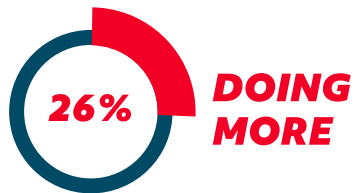
- Interestingly, the usual male-female divide in activity appeared to have been reversed during lockdown. A greater proportion of women (36%) than men (32%) said that in the past week they had done more exercise or physical activity compared to a typical week before COVID-19 restrictions.
- Nearly two-thirds of adults in Wales felt that it was more important than ever to be active during this time, with walking, home workouts and jogging the most popular forms of exercise during lockdown.

#### **INEQUALITIES**

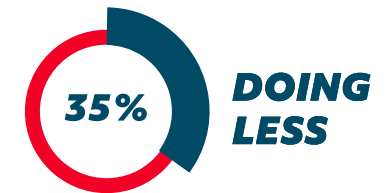
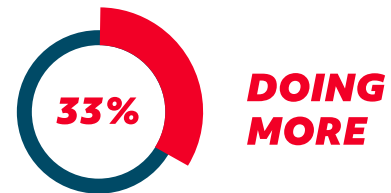
- The research suggested that the first lockdown worsened the gap between active and inactive people in Wales, with those from more deprived backgrounds suffering the most.
- Among adults from higher socio-economic backgrounds, 39% said they were doing more activity and 32% were doing less. However, for adults from lower socio-economic backgrounds, 29% were doing more and 33% were doing less.

# WHO IS THE MOST ACTIVE?

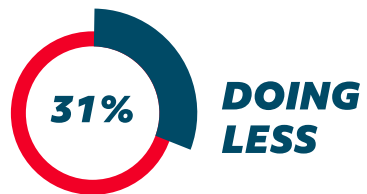
## UNDER 16s



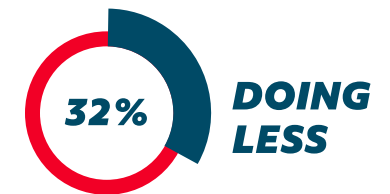
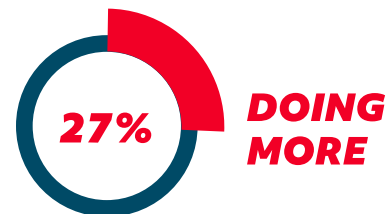
## 35-54



## 16-34



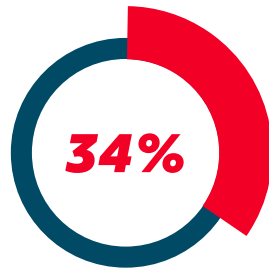
## 55+



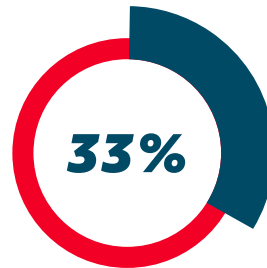
ComRes and Sport Wales survey May 2020

# ACTIVITY LEVELS DURING LOCKDOWN

## ADULTS

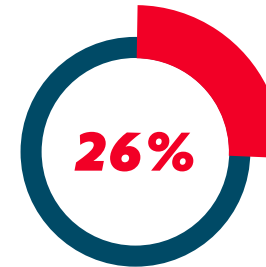


**EXERCISING  
MORE THAN USUAL**

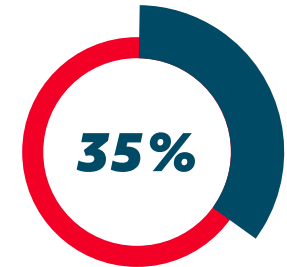


**EXERCISING  
LESS THAN USUAL**

## CHILDREN



**EXERCISING  
MORE THAN USUAL**



**EXERCISING  
LESS THAN USUAL**

ComRes and Sport Wales survey May 2020

## CHILDREN AND YOUNG PEOPLE

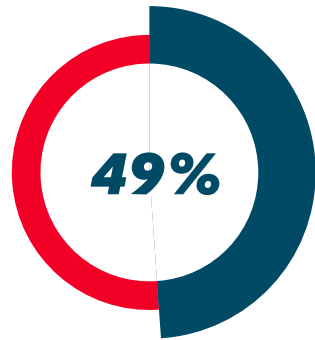
- The survey results suggested that the inequalities divide was even more glaring among children. While 9% of adults overall reported that their children were doing no physical activity or exercise on a typical day during lockdown, for those from lower socio-economic backgrounds the figure was 14%.
- Overall, 26% of parents said that their children were doing more activity than usual during lockdown, while 35% reported that their children were doing less. However, only 23% of parents from lower socio-economic backgrounds said that their children were more active than usual, compared to 36% who said they were doing less.

## LOCKDOWN ACTIVITY

- Just under a third (30%) of people did some form of home-based physical activity in the week they were surveyed, either by following a video or online workout, or by creating their own session. This sort of fitness activity was even more popular with 16-34 year olds, as half of this age group reported doing a home workout in the week surveyed.

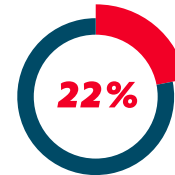


# SOMETHING NEW

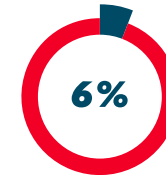


**OF ADULTS HAVE FOUND NEW WAYS TO BE ACTIVE SINCE THE OUTBREAK.**

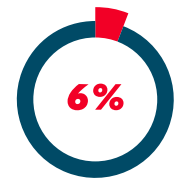
## TOP FIVE MOST POPULAR NEW ACTIVITIES...



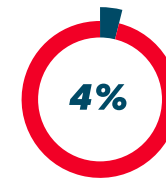
**WALKING**



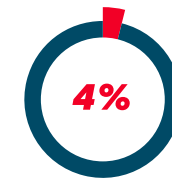
**EXERCISE/WORKOUTS/FITNESS**



**JOGGING/  
RUNNING**



**CYCLING**



**GARDENING**

ComRes and Sport Wales survey May 2020

## WELLBEING

- Two in every three adults (67%) said that they were exercising to help manage their physical health, while 62% were staying active to help look after their mental health. However, despite the overall willingness to be active, only 56% of adults said that they were finding exercise enjoyable and satisfying during lockdown. Among the reasons for this is the fact that 40% of adults said they do not find exercising on their own enjoyable. Women, younger adults, and those from lower socio-economic grades were more likely to say this.

# **SURVEY HIGHLIGHTS – OCTOBER 2020**

**THIS SURVEY WAS CONDUCTED BETWEEN 9 – 12 OCTOBER 2020 WHEN THERE WEREN'T ANY RESTRICTIONS ON TRAVEL TO EXERCISE. OUTDOOR SPORT WAS PERMITTED BUT LIMITED TO CERTAIN GROUP SIZES, LEISURE CENTRES AND GYMS WERE OPEN AND INDOOR ACTIVITIES WERE LIMITED TO CERTAIN GROUP SIZES. THIS WAS BEFORE THE NATIONAL FIREBREAK.**

## **BACK TO NORMAL?**

- Overall levels of adult physical activity appeared to be similar in October 2020 to those before the first COVID-19 restrictions were first introduced in March 2020.
- While there was evidence to suggest a polarisation of activity during the spring 2020 lockdown (with increases in the number of people doing 'no physical activity' and physical activity 'every day'), the October 2020 survey suggested a reversal of this trend with more adults doing 'some' activity at this time.
- Fewer adults reported having 'more time' (58%) to be physically active at this time compared to during the national lockdown in May 2020 (66%).

## **CHILDREN AND YOUNG PEOPLE**

- The feedback from this survey suggested that children in Wales were doing more sport/physical activity outside of school in October 2020 than before COVID-19 restrictions were first introduced. The exception here was for adults from lower socioeconomic backgrounds who were more likely to say that their child/children were now doing less activity on a typical weekend day.

## **SEEKING TRUSTED INFORMATION**

- Adults in Wales were most likely to look to the NHS, local councils and healthcare professionals/GPs for trusted information on how to be active. 83% per cent of those that accessed the information said that it was 'clear'.

## **FEELING SAFE**

- Parks were the setting in which adults were most likely to feel confident taking part in physical activity in October 2020. 61% reported feeling confident to take part in this space.



## THERE WAS A LACK OF CONFIDENCE IN RETURNING TO USE LEISURE FACILITIES AT THIS TIME



**25%** said they felt confident returning to swimming pools



**25%** said they were confident to return to gyms



**20%** of people had confidence to return to sports halls

- Although there was a lack of confidence in returning to use facilities, most of the adults who did access leisure centre facilities said that they felt comfortable once using them. Of those who had used indoor gyms/health and fitness suites, 82% reported that they felt comfortable using the facility. 81% of the people who had used swimming pools also felt comfortable.



# SURVEY HIGHLIGHTS - MARCH 2021

**THIS SURVEY WAS CONDUCTED BETWEEN 12 – 16 MARCH 2021 WHEN WALES WAS TAKING EARLY STEPS OUT OF THE WINTER LOCKDOWN.**

It was the first week that the stay-at-home rule had been replaced by stay local, meaning that people could now travel to exercise. Organised outdoor sport was not yet permitted but some outdoor sports facilities such as golf courses and tennis courts had just reopened.

## ACTIVITY LEVELS

Both men and women reported doing less exercise in March 2021 compared to pre-COVID-19. While there appeared to be little overall difference in activity levels for those from higher socio-economic backgrounds (35% more, 35% less), those from lower socioeconomic backgrounds were more likely to report doing less than before the pandemic at this time (24% more, 37% less).

While adults were more likely to report doing less activity compared with pre-pandemic times, those with a long-standing condition or illness were far more likely to say that they were doing less in March 2021 (18% more, 51% less).

**53%** of adults missed the types of activity they were able to do before the pandemic began.

**40%** of adults were worried about leaving the house to exercise or be active.

## RETURNING TO SPORT

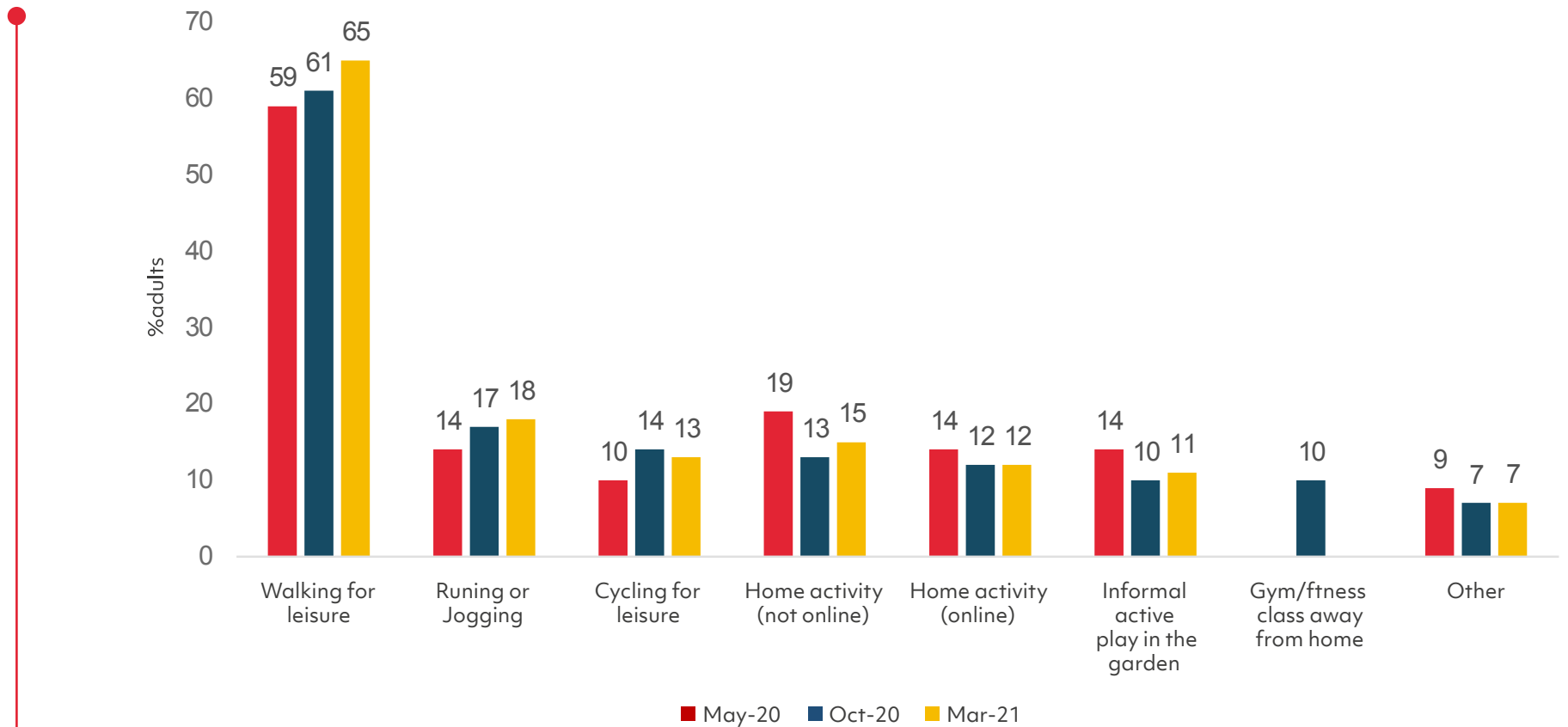
Two thirds of adults report that coming out of lockdown will make it easier for them to be active. Overall, 60% of adults said that they intend to increase the amount of physical activity and exercise they do as Wales comes out of lockdown.

Overall, adults are more likely to feel confident about returning to outdoor facilities but concerns about returning to indoor facilities are still relatively high with the majority of adults not feeling confident about returning to these settings.

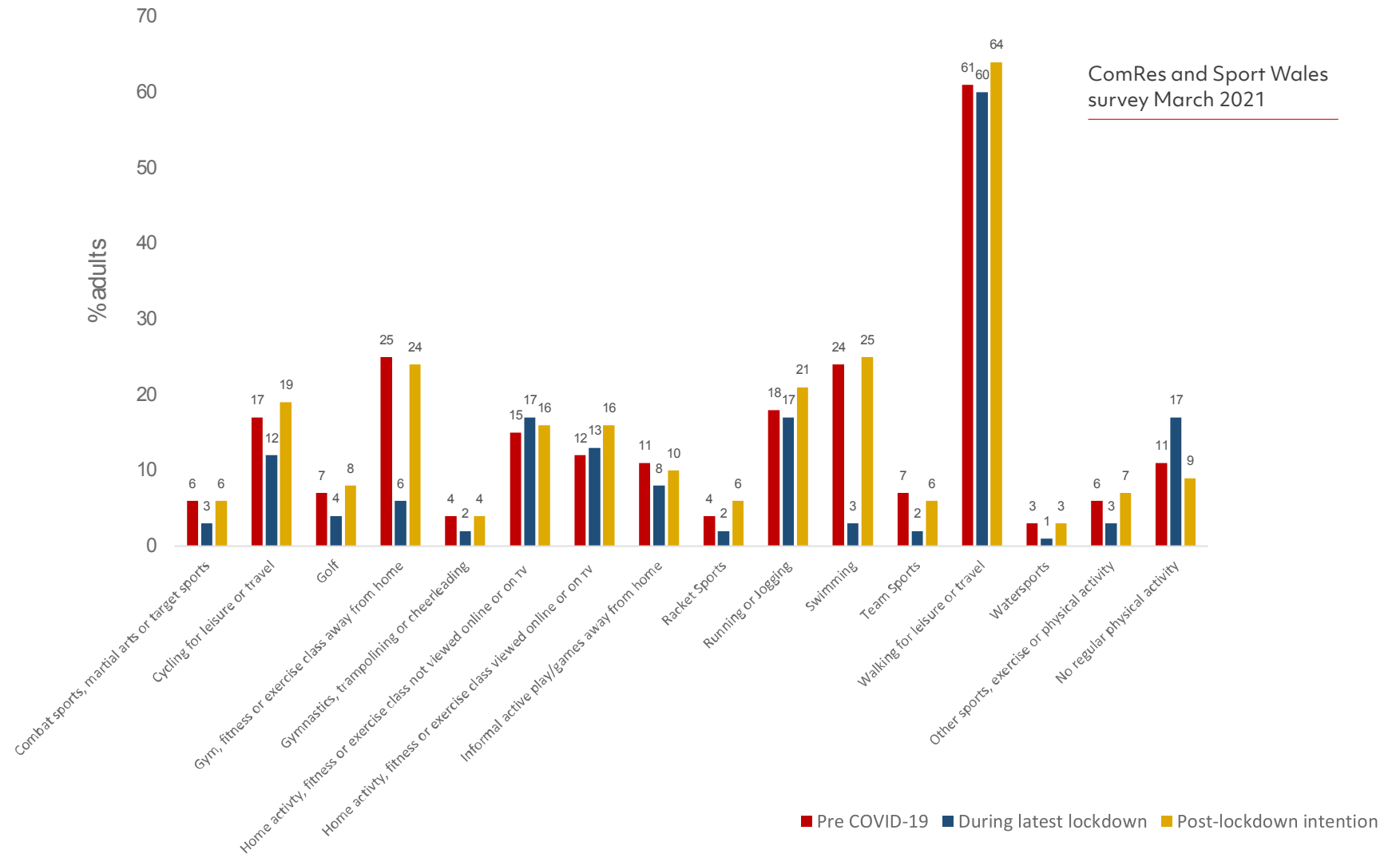
## THE BIGGEST WORRIES ABOUT RETURNING TO SPORT, EXERCISE AND PHYSICAL ACTIVITY WERE:

- 1. BEING CLOSE TO PEOPLE/TOO MANY PEOPLE – 14%**
- 2. CATCHING COVID – 11%**
- 3. RISE IN CASES / ANOTHER WAVE – 4%**
- 4. PEOPLE NOT FOLLOWING THE RULES – 3%**

# PROPORTION OF ADULTS TAKING PART THROUGHOUT THE PANDEMIC



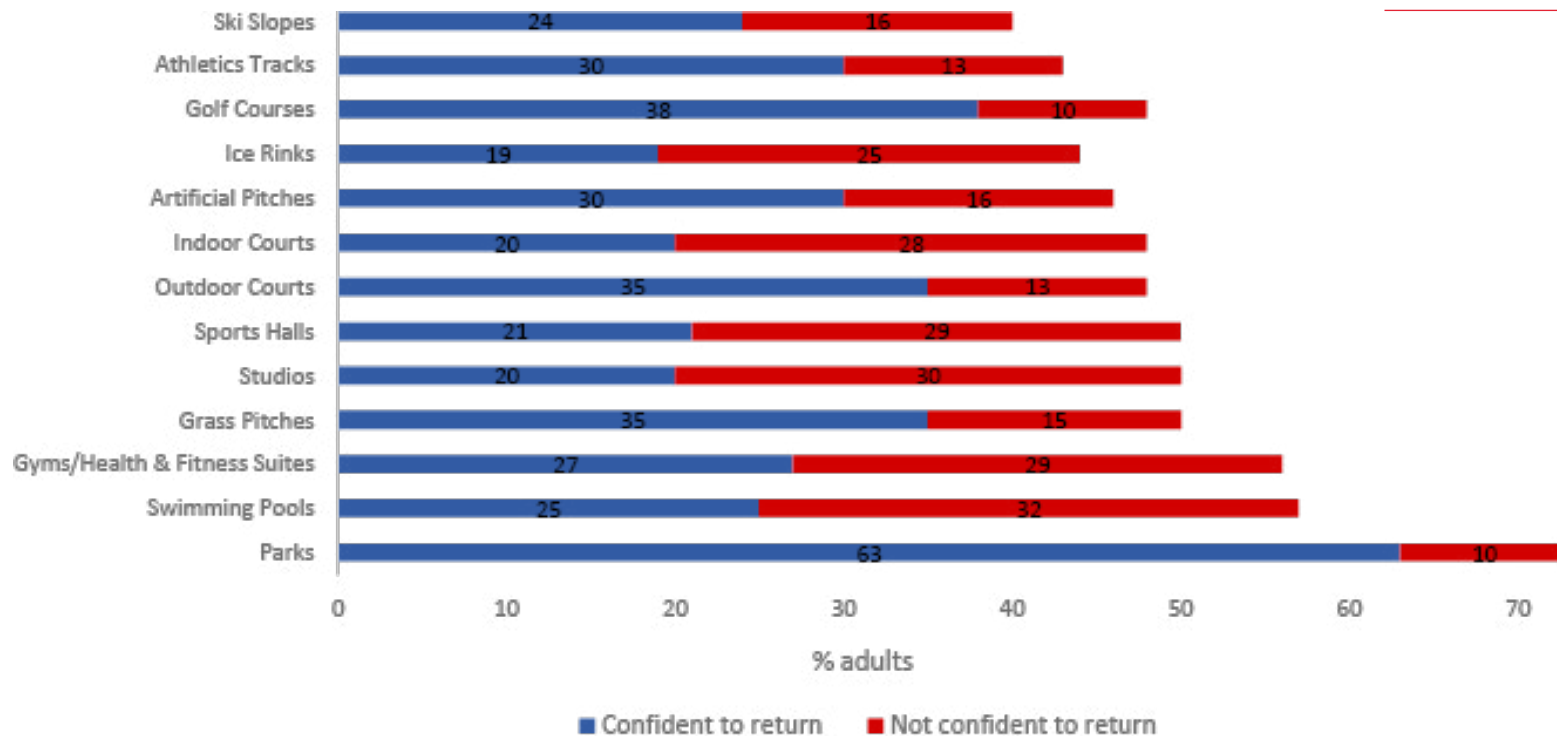
# REGULAR PARTICIPATION (AT LEAST ONCE PER MONTH) BY ACTIVITY TYPE





# HOW CONFIDENT DO ADULTS FEEL ABOUT RETURNING TO DIFFERENT SPORT SETTINGS?

ComRes and Sport Wales survey March 2021



## VOLUNTEERING IN SPORT



### **1 IN 20 ADULTS (5%) HAVE VOLUNTEERED IN SPORT OVER THE PAST TWELVE MONTHS.**

However, the March 2021 survey found that **28%** of adults say they are likely to volunteer over the next twelve months.

## HOW THE SURVEY RESULTS WERE USED

The data showing how some physical activity inequalities were exacerbated by the pandemic was extremely valuable during the planning of the Be Active Wales Fund as it highlighted that funding should be targeted towards more deprived areas. The October 2020 survey results also confirmed that this approach was correct.

All of the results were given to the sector to help influence future decision-making. As well as being highlighted to Members of the Senedd to show how the pandemic was impacting on people's activity levels, the findings were also fed into Welsh Government to inform policy responses to the pandemic.

Throughout the latter part of 2020, the survey insights were also used to support sport's return, allowing partners to understand more about where they needed to build people's confidence in certain settings. The October 2020 data was particularly useful for leisure providers to take on board when considering how best to reassure customers that they had all of the necessary measures in place for customers to feel safe. It is anticipated that the March 2021 survey findings will be equally useful as society opens up more in Spring 2021.





## WHAT WAS THE IMPACT OF COVID-19 ON THE SPORT ECONOMY IN WALES?

Estimations made by Sheffield Hallam University's Sport Industry Research Centre (SIRC) put the pre-pandemic value of sport-related consumer spend in Wales at £1.26bn, sport related GVA at £1.195bn and estimated sport employment as 31,100 Full Time Equivalents (FTE).

SIRC estimated that consumer spending on sport in Wales was down £303.4m during 2020. Consumer spending on sport was reduced in some areas more than others and this is mainly due to an increase in spend on informal sport activities such as running and cycling during lockdown (e.g. there was a 16% increase in spending on bikes).

Sport related GVA in Wales fell by 20% in 2020 (roughly twice the decline of the overall UK economy), meaning that GVA in Wales was down by £209m. In Wales, the GVA generated through spectator sports saw the greatest percentage reduction (-43%).

All of these conditions would have been a lot worse without the initial £22.7 million investment in sport support packages, as well as other indirect packages such as the local authority hardship fund. It is estimated that, without investment, sport related GVA in Wales could have fallen by three times more than the UK economy. The voluntary sector in Wales, for example, would have seen an even greater decline without this contribution (-80% without contribution vs. -50% with). In addition, 15.2 thousand (FTE) sport jobs would have been at risk of being lost without public support.



# **JULY 2020 – THE BE ACTIVE WALES FUND HELPS CLUBS PREPARE TO RESTART**

**BY EARLY SUMMER, PLANS WERE WELL ADVANCED FOR MANY SPORTS TO RESTART, WHILE FOR OTHERS THE FOCUS WAS STILL ON PROTECTING SPORTING ENVIRONMENTS FOR A RETURN IN THE MORE DISTANT FUTURE.**

## **PROTECT AND PREPARE**

The Be Active Wales Fund was launched in July 2020 with two separate funding streams – Protect and Prepare. Using Welsh Government money and re-purposed funds from the National Lottery, the fund enabled community clubs and not-for-profit organisations to apply for grant funding of between £300 and £50,000.

At the time, it wasn't known exactly how much of a financial burden would be placed on respective sports in order to resume sporting life alongside Coronavirus. However, conversations with partners and some of the insight gained from the Emergency Relief Fund gave Sport Wales an idea of what applications to expect.

It was anticipated that there would be 'Protect' applications to help pay rent, utility costs, insurances, facility or equipment hire. 'Prepare' applications were expected to be submitted for sums to cover enhanced cleaning protocols and safety measures as well as adaptations that may be needed to buildings before people could take part in activities safely in accordance with health guidelines and social distancing requirements.

## **REACH COMMUNITIES IN GREATEST NEED**

A key target for the Be Active Wales Fund was to reach clubs and organisations in areas of deprivation as the Savanta ComRes' research carried out in May 2020 found that those communities

had been hit hardest by the lockdown. The Six local authorities containing the areas with the highest levels of deprivation in Wales (Blaenau Gwent, Newport, Neath Port Talbot, Torfaen, Merthyr Tydfil and Denbighshire) were specifically targeted.

A targeted advertising campaign (both online and offline) was conducted and Sport Wales' partners were all asked to consider how they could ensure that the fund reached those communities in greatest need. Partners were encouraged to look at how they were already engaging with the clubs in their most deprived areas and examine what more they could do.

The Be Active Wales Fund was put in place to support clubs for the duration of the pandemic, and clubs were urged to only apply once they'd had the chance to fully consider what support they needed most. It was anticipated that 'Prepare' applications would come in waves as further guidance was provided for the safe return to sport.

## **STRAIGHT-FORWARD APPLICATION PROCESS**

Another objective was to make the application process as simple as possible, so a dedicated Help Centre was set up on the Sport Wales website using Zendesk technology to make it easy to search for answers and information about the fund. In addition, a ChatBot function was installed to help with online queries. As well as helping customers, the system also helped Sport Wales staff to manage enquiries in the back-office as efficiently as possible.

# THE FIVE MOST POPULAR 'PREPARE' APPLICATIONS:



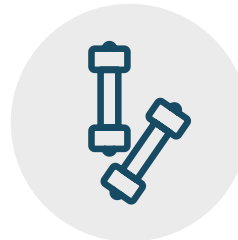
**General PPE** and cleaning materials such as wipes, masks, bibs, sanitiser dispensers and stations, as well as thermometers.



**Training facility hire costs** – extra training space and sessions often required as a result of the limits placed on participant numbers in a training area.



**New signage** and floor markings to make people aware of Covid rules they should follow.



**Additional equipment** needed as a result of smaller group sizes. For examples, extra goals and balls were needed by football clubs.



**Coaching courses** to help upskill additional coaches required as a result of smaller coach to participant ratios.

# CASE STUDY:

## HOCKEY CLUB GETS SUPPORT TO PLAY AGAIN

Like so many other grassroots clubs in Wales, the Denbigh Men's Hockey Club had to adjust to the new normal in the wake of stricter health and safety rules brought on by the pandemic.

When the club resumed training they found that the Covid restrictions on the numbers of people allowed on their outdoor all-weather pitch at one time created financial issues. Thankfully, the Be Active Wales funding was crucial in still making hockey affordable for families in a socially deprived area.

Head coach Liam Bell said: *"Our main expense is booking the pitch. With restricted numbers it's quite difficult to cover that pitch cost. It's difficult because with our juniors we would have had about 60 per session, so we would have had to double the price for our juniors if we didn't have the grant. The grant helps make up for the lack of income because we're not getting everyone out training at the same time. We've also had to spend more on safety equipment such as hand sanitisers."*

“

**THE BE ACTIVE WALES FUNDING  
WAS CRUCIAL IN STILL MAKING  
HOCKEY AFFORDABLE.**

”

**LIAM BELL, HEAD COACH,  
DENBIGH MEN'S HOCKEY CLUB**



# AUGUST 2020 - RETURN TO SPORT

## **FALLING CORONAVIRUS RATES MADE IT POSSIBLE FOR THE SAFE RE-INTRODUCTION OF MANY OF THE ACTIVITIES THAT THE WELSH PUBLIC LOVE.**

The development of safety guidance for sport's safe return had been a huge collective undertaking. It began in earnest in May 2020 after Welsh Government's publication of its roadmap defining how restrictions on different areas of Welsh life could begin to be eased.

In line with the three-weekly Welsh Government restriction reviews, recommendations were submitted to Welsh Government officials for discussion and consideration to influence their 'return to sport' guidance.

The responsibility for interpreting that guidance and the development of protocols lay with individual sports and organisations. During the summer months in particular, a huge effort was made across the sector to provide all of the necessary information so that community clubs had everything they needed in order to restart safely.

During a turbulent few months, the sector had an ever-shifting landscape to contend with which included local lockdowns, a legal requirement to wear facemasks indoors, and the short firebreak, before community sport and physical activity came to an extended standstill once more in December 2020. Throughout this period, collective working practices brought many benefits, both in sharing learning and creating a robust and measured case for the easing of any of the regulations.

Welsh Government granted Sport Wales designation to allow elite athletes to return to training. A National Sport Group led by Sport Wales, with representatives from the Welsh Sport Association, Commonwealth Games Wales and the Welsh Government, managed the elite status designation process for a measured and gradual return to competitive group and team sport.





# SEPTEMBER 2020 - SUPPORT FOR PERFORMANCE ATHLETES DURING THE CRISIS

## **EARLY IN THE PANDEMIC, THE NEED FOR SPECIFIC GUIDANCE TO ASSIST ELITE LEVEL ATHLETES TO RETURN TO SPORT AND / OR EXERCISE SOON BECAME CLEAR.**

A group of science and medicine experts from the Sport Wales Institute collaborated with their home nation counterparts to design a 'return to sport' guidance document for National Governing Bodies and their coaches, as well as guidance for modifying training during the pandemic.

### **ELITE ATHLETE DISPENSATION**

Together with the Welsh Sport Association, Commonwealth Games Wales and the Welsh Government, Sport Wales established a National Sport Group in November 2020 which had responsibility for determining which groups of sportsmen and women should be designated as having 'elite athlete' status, and therefore be given dispensation to train, compete and travel to do so while Wales was at Alert Level Four / in lockdown. Applications to the group had to be made by National Governing Bodies and the group worked to strict criteria based on Olympic, Paralympic, Commonwealth and Senior International level representation.

### **A PERSON-CENTRED FOCUS ON TOKYO**

The Tokyo Olympic and Paralympic Games were a priority focus for Sport Wales' Institute team during 2020/21, but practitioners faced a balancing act in protecting public (and athlete) health

whilst supporting partners to improve athlete performance. Working with partners to develop and provide Covid-safe environments was central to this.

Athlete autonomy was at the heart of the decision-making process. There was a person-centred approach with athletes empowered to make informed decisions on managing this risk tolerance to Covid-19 and their performance aims. There were different challenges, unique to each athlete's own health risks.

Throughout periods of lockdown and restrictions, Sport Wales played its part in ensuring elite athletes had access to the equipment they needed to train safely at home, while coaches and practitioners provided virtual support. Reams of resources were provided for athletes, such as a series of self-care recommendations to aid with wellbeing and mental health, as well as nutritional advice.

Naturally, remote sessions suited some athletes more than others. For example, virtual support for Wales' leading swimmers proved to be really effective, with the ability to talk to people relaxed in their own homes proving beneficial. For others, it was important to get back to face-to-face provision as soon as the level of risk allowed.

Remote sessions were a learning experience for everyone involved, and it's clear that the lessons learnt during these difficult times

will help provide a far more athlete-friendly service moving forward due to the flexibility and user-friendliness that technology offers. This is particularly relevant for us here in Wales; a country in which athletes can be geographically dispersed.

## **A MORE INSIGHT-LED APPROACH TO ATHLETE DEVELOPMENT**

The ability to access large volumes of accurate, credible and valid performance data would present excellent opportunities for sports in Wales to adopt a more insight-led approach to athlete development.

Following an initial exploration stage – which included conversations with Sport Wales’ counterparts across the globe as well as professional sports teams – both Welsh Boxing and Disability Sport Wales have now entered into short-term contracts with Fusion Sports, the provider of an award-winning Athlete Management System (AMS).

Although both performance programmes are in the early stages of adopting the AMS, the benefits are already visible to see. These benefits have included a greater understanding of injury prevalence for two athletes who are preparing for the Tokyo Games.

As Sport Wales continues to work with Welsh Boxing and Disability Sport Wales to embed the AMS within their daily practices over the next year, Sport Wales will also take the time to evaluate how the use of such technology could best meet the needs of other partners too.



# OCTOBER 2020 - THE WORK THAT WENT INTO GETTING FACILITIES COVID-SECURE

**SOCIAL DISTANCING AND SANITISATION PROCEDURES BECAME COMMONPLACE AS OUTDOOR ACTIVITIES OPENED UP IN SUMMER 2020, AND WIDER AVAILABILITY OF ONLINE BOOKINGS BROUGHT ANOTHER POSITIVE STEP FORWARD.**

People had to wait slightly longer to get back to enjoying indoor activities, but when they were given the green light to reopen at the start of August 2020 a huge amount of effort went on behind the scenes across the country to make buildings Covid-secure.

A 'facilities hub' was also created, funded by the Sport Resilience Fund, which enabled the sharing of vital information and intelligence across the sector. This provided a welcome resource for partners while also contributing to both consumer and Government confidence.

## **LOCKED DOWN BUT NOT LOCKED OUT**

As local lockdowns in Autumn 2020 brought new inter-county travel restrictions, local government and leisure providers across Gwent decided to pool their resources in a bid to ensure locked down did not mean locked out.

Newport Live, a charitable trust which provides, sport, leisure and cultural services across the city, decided to work with other providers to offer a single pass across the area so

that local restrictions did not leave people prevented from using their nearest venue.

The result was Gwent Live, an umbrella organisation consisting of Aneurin Leisure (Blaenau Gwent), Caerphilly County Borough Council Sport & Leisure Services, MonLife (Monmouthshire), Newport Live and Torfaen Leisure Trust. Customers who had a membership with one leisure provider were able to attend their local gyms or leisure centre whilst the local lockdown remained in place.





# CASE STUDY:

## FUNDING PACKS A PUNCH

The Be Active Wales Fund was a lifeline to help clubs adapt their facilities. Among those to receive funding were the Llanrumney Phoenix Boxing Club in Cardiff, who spent a £440 grant on a thermometer, Covid safety signage, facemasks, gloves and skipping ropes to ensure a safe, socially distant training environment.

The club was thrilled to reopen as there were many concerns about the impact Covid-19 was having on the mental health of its boxers. Members were encouraged to come forward if they were feeling anxious or alone and were offered a free mental health and wellbeing course.

Head Coach Tony Richards said: *"It's important to us that we give back to the community in which we've grown up. There is high deprivation here and a lot of children don't go to school which is heart-breaking to see. We simply would not be able to support the community without this investment. It makes a world of difference to the lives of young people in our area."*

# GETTING BACK TO BUSINESS

**BOTH THE SPORT WALES NATIONAL CENTRE AND THE PLAS MENAI NATIONAL OUTDOOR CENTRE WERE AWARDED 'AA COVID CONFIDENT' AND 'WE'RE GOOD TO GO' STATUS WHEN THEY REOPENED TO ATHLETES AND CUSTOMERS.**

Staff were given extensive training and, with one-way systems, screens, new signage, sanitising stations and other measures in place, both centres looked very different too pre-pandemic times.

## **REOPENING THE NATIONAL CENTRE IN CARDIFF**

The National Centre in Cardiff was closed for just over three months. After it reopened, elite athletes from sports including boxing, judo, netball, hockey, gymnastics, table tennis, badminton, squash, boccia and shooting began a phased return to training. Eventually, they were able to use the centre up to seven days a week, stay in the accommodation and eat from the Hwb café.

Significant work was carried out on the public gyms to make them Covid-secure, and members of the public were welcomed back when restrictions allowed. The vast majority of Sport Wales staff continued to work from home throughout the entire year.

National Centre staff used the quieter periods as an opportunity to identify any areas for improvement in the building. For example, the athlete bedrooms underwent a mini makeover, and a new takeaway café was created next to the reception area on the ground floor.

## **REOPENING THE PLAS MENAI NATIONAL OUTDOOR CENTRE**

When the Plas Menai National Outdoor Centre began a phased return to activity at the start of July, with an initial focus on family groups undertaking a limited number of adventurous activities, the feedback from customers was outstanding. As restrictions eased, customers went on to enjoy a range of other activity options, including swimming lessons, before the second national lockdown was imposed.

Centre staff found new ways of delivering courses online, and work was also undertaken to improve the centre's facilities and equipment. £125,000 of additional capital funding awarded by Welsh Government in February 2021 was used to install a second set of solar panels at the centre, buy a new electric vehicle, and to install three electric vehicle charging points, helping Sport Wales contribute to the Welsh Government's climate change targets. Staff also supported the local community by volunteering to clear an overgrown area of a graveyard that borders the centre, and helping Gwynedd Council to collect food donations from across the local area to supply foodbanks.

## **PLAS MENAI – THE FUTURE**

Like it was for so many other facilities, 2020 was very much a stop-start year for Plas Menai, but there is much optimism about the future. Following a period of review, a programme of work is underway to enhance Plas Menai's reputation as the National Outdoor Centre for Wales. As well as a commitment to significant capital investment, Sport Wales is actively considering the current market conditions and alternative operating models. The aim is to establish a partnership with an organisation that shares Sport Wales' ambition and determination to make Plas Menai a success.



# **NOVEMBER 2020 - SPORTS CLUBS LOOK TO THE FUTURE WITH BE ACTIVE WALES FUND**

**IN THE AUTUMN, THE BE ACTIVE WALES FUND WAS EXPANDED WITH A THIRD FUNDING STREAM - PROGRESS - SO THAT CLUBS WITH AN EYE ON THE FUTURE COULD START APPLYING FOR GRANTS OF BETWEEN £300 AND £50,000 TO HELP THEM DEVELOP THEIR OFFER BEYOND THE CRISIS.**

When submitting their applications, clubs were asked to detail how funding could support ambitions to improve the experience for their existing members and, crucially, also enhance efforts to attract new members. In particular, they were encouraged to explore how they could attract people who are currently under-represented in sport and are therefore less likely to be physically active. For example, clubs might be aiming to increase opportunities for ethnically diverse communities, people with disabilities, or women and girls.

The 'Progress' element of the fund provided a chance to support more clubs who were ready to think about doing things differently in the future, either by adopting new approaches for how their activities were delivered, or re-thinking the types of activities they offer.



# CASE STUDY:

## FUNDING MAKES BOWLS CLUB MORE INCLUSIVE

The Radnorshire Indoor Bowls Association in Llandrindod Wells prides itself on an inclusive approach that welcomes anyone who is keen to play.

They thought the Be Active Wales Fund offered a fantastic opportunity to obtain funding to get more mobility impaired players involved with the sport, so successfully applied for a £3,627 grant to convert a manual wheelchair to a motorised one.

Paul Vaughan, Chair of Trustees, explained: *"It will help members who use wheelchairs to play independently, without the need for a volunteer to push them up the rink. Of course, this also makes life easier given the ongoing coronavirus situation and the social distancing that's required. Having a second motorised wheelchair will help us to make our rink even more welcoming to disabled bowlers."*

# CASE STUDY:

## DISABILITY CYCLING CLUB GEARS UP FOR THE FUTURE

Pop down to Jenner Park in Barry on a Wednesday or Friday afternoon and you would, in normal times, find a number of adaptive bikes whizzing around the track. Providing opportunities for people with severe and profound disabilities, The Intersensory Club is a lifeline to many.

And to help the club provide even better opportunities post-Covid, they successfully applied for a £20,000 grant from the Be Active Wales Fund.

Treasurer and founder Cliff Hayes said: *"We are investing the Sport Wales funding into three brand new electric, adaptive bikes. It will really transform what we are able to do – we'll be able to give more opportunities to more people. The club helps to build confidence - you can see people becoming more open and more sociable. I think it gives people a boost because it's that little feeling that you are part of something."*



# CASE STUDY:

## TAEKWONDO CLUB IS FIGHTING FIT FOR THE FUTURE

As Taekwondo is very much a contact sport, Covid-19 has posed some obvious problems for community clubs across the country.

Yet the Taekwondo Cymru – Little Mill club in Monmouthshire has overcome this challenge by finding innovative ways of delivering their sessions. And they have successfully applied for a £3,064 Be Active Wales Fund grant to put their ideas into action.

Sarah Farthing, who runs the club, explains: *“We teach Olympic-style Taekwondo. It’s a full contact sport which focuses predominantly on sparring and is very interactive, so social distancing has made this impossible! Our members have been amazing and have been working really hard on their fitness but without the contact they’ve found the experience disheartening and repetitive. It’s basically not been a true reflection of the sport.”*

Sarah continued: *“We applied to the Be Active Wales Fund to enable us to invest in brand new kit, including punch bags, reaction light training and jump boxes. Using these training aids, we can design exciting, dynamic sessions with lots of variation. We can be really creative with them. For example, we can make mini training stations where members can do drills and timed rounds. The training aids are excellent for resistance too - it feels far more realistic to kick a punch bag rather than the air, and it is safer too.”*

# CASE STUDY:

## CRICKET NETS BROUGHT BACK TO LIFE

In recent years, Pontarddulais Cricket Club near Swansea has seen the numbers of children on its books increase to the extent that the club is bursting at the seams. With all those players needing to share a two-bay practice nets space, the club is struggling to cope.

So, with an eye on the future, the club successfully applied for a £10,000 Be Active Wales grant which they’ll use to renovate an old disused three-bay practice net so that it can be brought back to life.

Ben Roberts, Club Secretary, said: *“Covid has really knocked us but before it hit, we were in a great place. We have enjoyed big numbers of children - boys and girls - wanting to get involved. But there is no way we can provide opportunities for everybody without the upgrade of the old practice facility. This is a long-term sustainable project for the community of Pontarddulais.”*

# CASE STUDY:

## SIMPLE IDEA MAKES A BIG DIFFERENCE

Sometimes, it is the simplest things that make the biggest difference and this was certainly true of Cardiff Lions RFC's plans to use their grant from the Be Active Wales Fund.

The city club provides gay, straight and trans men with a safe space to play rugby. It was set up in 2004 and the club sees around 35 players train every week. However, the club didn't have any storage space which meant that equipment, first aid kits and, more recently, Covid supplies of PPE were being bundled into a player's car to store at home until the next session.

Thankfully, Sport Wales stepped in with a £3,652 Be Active Wales Fund grant which will enable the club to purchase a storage container to house their equipment. Club Secretary Mark Lewis Evans said: *"It will really improve training. It means that we can set up for training sessions straight away rather than waiting for the player with the equipment to arrive. It also means that we can buy more kit such as tackle bags and tackling shields which the Be Active Wales grant is also helping us with."*

As well as helping to fund the storage container and some extra equipment, the grant is also being invested into coach education so the club can increase its number of Assistant Coaches. With the club growing and attracting more players, the funding is set to help the club increase its capacity of offering better training, social and match opportunities to those under-represented groups it exists to support.

# BE ACTIVE WALES FUND AT A GLANCE\*

TOTAL NUMBER OF APPLICATIONS:

1727

(323 PROTECT, 844 PREPARE, 560 PROGRESS)

TOTAL NUMBER OF SUPPORTED APPLICATIONS:

1081

(169 PROTECT, 577 PREPARE, 335 PROGRESS)

TOTAL AMOUNT REQUESTED:  
£12.6M

AVERAGE AMOUNT REQUESTED:  
£7,333

TOTAL AMOUNT AWARDED:  
£3.6M

AVERAGE AMOUNT AWARDED:  
£3,546

## THE AREAS WITH THE MOST SUCCESSFUL BE ACTIVE WALES FUND APPLICATIONS

1. **Cardiff** – 114 successful applications (£327,034 awarded)
2. **Swansea** – 94 successful applications (£288,474 awarded)
3. **Pembrokeshire** – 78 successful applications (£244,046 awarded)
3. **Carmarthenshire** – 74 successful applications (£279,094 awarded)
5. **Powys** – 59 successful applications (£138,786 awarded)

EVERY LOCAL AUTHORITY IN WALES HAD AT LEAST **25** SUCCESSFUL APPLICATIONS.

## THE SPORTS WITH THE MOST SUCCESSFUL BE ACTIVE WALES FUND APPLICATIONS

1. **Football** – 392 applications supported (£1,012,400 awarded)
2. **Bowls** – 69 applications supported (£127,917 awarded)
3. **Rugby Union** – 64 applications supported (£385,660 awarded)
4. **Cricket** – 63 applications supported (£382,669 awarded)
5. **Gymnastics** – 61 applications supported (£252,236 awarded)

(\*stats correct up to 31/03/21)





# DECEMBER 2020 - TACKLING RACIAL INEQUALITIES IN SPORT

**SPORT WALES JOINED FORCES WITH THE OTHER HOME NATION SPORT COUNCILS AND UK SPORT IN AUTUMN 2020 TO EMBARK ON A MAJOR PIECE OF WORK THAT AIMS TO REDUCE ALL FORMS OF INEQUALITY BY BUILDING A SPORTING SYSTEM THAT IS PROPERLY REFLECTIVE OF SOCIETY.**

An initial focus of this work was to better understand the issues around racial inequality to inform the significant changes needed to be able to stamp out racism and racial inequality in sport.

Two UK-wide research projects were launched, including a study conducted by the Sport Industry Research Centre at Sheffield Hallam University which explored participation barriers within sport as well as career progression barriers for those wanting to work in sport.

Then, in December, through independent consultancy AKD Solutions, the public were asked to come forward and tell their lived experiences of racial inequalities and racism in sport, whether as participants, athletes, coaches, volunteers or parents, as part of the **#TellYourStory** campaign.

Interviews, online forums and an online portal provided opportunities to collate these stories. The **#TellYourStory** campaign urged everyone to tell their stories to help bring about sustained and meaningful change.

While the full results are due for publication in the summer of 2021, the early indications highlighted and confirmed the areas in which Sport Wales should start developing plans to make much needed progress. Alongside commissioning further support from

consultancy AKD to further understand and help develop better relationships within ethnically diverse communities, plans have been in place to work with community organisations to quickly allocate resources into communities who had traditionally not accessed funding.

## **TACKLING INEQUALITIES THROUGH TARGETED INVESTMENTS**

To help influence the scale of progress that Sport Wales wants to see, it has changed the way that it invests funding so that tackling inequalities is right at the forefront of partners' and clubs' thinking. Even greater emphasis is put on taking positive action to reduce inequalities and improve the opportunities for groups that are currently under-represented in sport.

Early examples of this new funding approach leading to positive change can be seen through the Be Active Wales Fund. Thirty eight per cent of the applications made to the 'Progress' stream of the Be Active Wales Fund (as of 31/03/21) explicitly stated that their projects were looking to target or address inequalities.



# CASE STUDY:

## CRICKET CLUBS FOCUS ON ETHNICALLY DIVERSE COMMUNITIES

Among the sports clubs using the Be Active Wales Fund to help them attract more participants from ethnically diverse communities are two cricket clubs – Ynystawe CC and Llandaf CC.

Ynystawe CC are currently the only cricket club in Swansea to create a specific section that better meets the needs of people from ethnically diverse communities. They established 'Tawe Strikers' in 2020 and were able to play several games across South Wales when restrictions allowed. To help the new section to grow and become firmly established locally, the club successfully applied for a £5,700 grant towards equipment and personal development costs.

Along the M4 in Cardiff, Llandaff CC are planning a number of initiatives to introduce girls from ethnically diverse backgrounds to cricket and give them a platform they feel comfortable with. In 2020, they ran a popular ladies' softball team, and now want to inspire a new generation of young girls. The club applied for £4,168 to put towards equipment, first aid, coaching and venue hire to help build on that interest.



# JANUARY 2021 – HELPING THOSE HARDEST HIT BY LOCKDOWN

**AS WALES BEGAN 2021 IN LOCKDOWN, THE BE ACTIVE WALES CAMPAIGN WAS AGAIN LOOKING TO PROVIDE INSPIRATION TO GET THE NATION ACTIVE AT HOME, DESPITE THE WINTER WEATHER PROVIDING AN ADDED CHALLENGE.**

With support from across the sector, the hashtag **#BeActiveWales** brought together a wide range of tips, ideas and resources to try and make life a little easier, healthier and more fun.

Based on the May 2020 and October 2020 Savanta ComRes research, it was deemed likely that children and older people would be hardest hit by the New Year lockdown in terms of how much exercise they were getting. Therefore, Sport Wales was particularly keen to highlight the activities partners offered which were aimed at those groups of people.

For young people, the Sport Wales website was refreshed to share a wide range of activities and resources that partners had produced to help keep children active while they were being home schooled. The benefits of exercise were also heavily promoted during Children's Mental Health Week at the start of February.

## **FOCUS ON OLDER PEOPLE**

January also saw the announcement of a £1m investment by Welsh Government to give over 60s more options to enjoy exercise. In a drive to reduce health inequalities and social isolation as part of Welsh Government's Healthy Weight, Healthy Wales Action Plan 2020-22, the funding was allocated to Sport Wales then shared among all 22 local authorities for use on projects up until April 2022.

Some local authorities began using the funding to expand their offering of online classes to help over 60s to workout at home, while others planned dedicated face-to-face sessions within Leisure Centres along with creative outdoor sessions for when restrictions are lifted and the pressures of Covid-19 on leisure services are eased.

Some local authorities began using the funding to expand their offering of online classes to help over 60s to workout at home, while others planned dedicated face-to-face sessions within leisure centres along with creative outdoor sessions for when restrictions are lifted and the pressures of Covid-19 on leisure services are eased.

In January 2021, Sport Wales also continued to encourage sports clubs to consider how they might apply to the Be Active Wales Fund to improve future opportunities for both younger and older people, as well as other demographics.

# CASE STUDY:

## TARGET ADVENTURE IN NEWBRIDGE WOODLANDS

Young adventure-seekers will soon be able to get their kicks at a new target sports centre in the woodlands perched above Newbridge, thanks to the Be Active Wales Fund.

Those looking for some Bear Grylls style action will be able to have a go at air rifle shooting, archery, tomahawk throwing, as well as the relatively new sport of Target Sprint at the CRAI Activity Park.

The CRAI Scout District successfully applied for a £13,486 grant which is being ploughed into high quality equipment. Dave Cook, who volunteers for CRAI Scouts, said: *“Our dream is that the place is a real hub for the community, offering young people a chance to enjoy sports they may have never tried before.”*

# CASE STUDY:

## OLDER PLAYERS ARE FOCUS OF NEW PITCH

A messy patch of land that was once home to the occasional burnt-out car is being transformed into a football pitch which will serve older members of a Swansea community.

Eighteen months ago, Waunarlwydd AFC had a vision to help local older people keep active by setting up a veterans' team, but didn't have anywhere for them to play. Although the club had signed a long-term lease for a four-acre space in the village, only half of it was fit for football.

*“The other half of the space was just unusable,”* explains Club Chair Dean Thomas-Welch. *“It was a place where you'd have to side-step the dog mess to be honest. But if we felt that if we could fix the drainage and tidy it up, we could create a new, second pitch and it would be perfect for our veterans.”*

Help has arrived in the shape of a grant of nearly £4,000 from the Be Active Wales Fund towards the project. *“We have taken a facility and we are turning it into something really positive for the community,”* Dean said. *“The new pitch will mean that our older players can train and play games on any given day and we won't have to ask them to dig in their pockets for the extra money to cover facility hire. Cost can be a real issue as many of them rely on benefits as their only source of income. A lot of the veteran players have been financially impacted during the Covid lockdowns so money is tight for non-essential activities like football.”*

Dean added: *“Lockdown has been hard on everybody, but many of our older players have had to shield. Football is a great way to tackle isolation and we're looking forward to a time when we can get back out and play.”*

# FEBRUARY 2021 – SUPPORTING FREELANCERS AND PRIVATE PROVIDERS

**THE WELSH GOVERNMENT ANNOUNCED A £14M SPORT AND LEISURE RECOVERY PACKAGE IN AUTUMN 2020 WHICH ENABLED SPORT WALES TO OFFER FURTHER FINANCIAL ASSISTANCE TO ITS PARTNERS AS WELL AS OTHER GROUPS WITHIN THE SPORT SECTOR IN WALES WHO HADN'T YET RECEIVED SUPPORT.**

By February 2021, this money had been used by Sport Wales to roll out two new funds - a Sport Freelancer Fund and a Sport Sector Private Providers Fund. Securing sport's future by protecting organisations, facilities and jobs continued to be Sport Wales' immediate concern. This was the first time that Sport Wales had supported profit-making businesses and individuals. The package, although substantial, was a finite resource and there was a need to prioritise for those most in need or with the ability to make the greatest impact among target groups.

## **SPORT FREELANCER FUND**

The Sport Freelancer Fund ran over two application rounds – in November 2020 and January 2021 – offering funding for self-employed and freelance workers within the sport sector whose work directly delivered activities to participants, such as sports coaches, personal trainers, fitness instructors and dance instructors. The fund was the first of its kind in the UK for sport freelancers.

When the first phase of the fund opened in November 2020, it provided grants of £1,500 to 346 individuals. In January 2021, with the lockdown restrictions placing even greater pressure on freelancers who had already lost income during 2020, the grant amount was increased to £2,500 and the criteria was widened in a bid to help even more people. Everyone who successfully applied for £1,500 during the first phase was also given the additional £1,000.

After the second phase of the fund closed in February 2021, the total amount allocated by both phases amounted to £2.71m, which supported 1,084 self-employed and freelance workers.

## **SPORT SECTOR PRIVATE PROVIDER FUND**

Less than a week after the Sport Freelancer Fund closed, the Sport Sector Private Provider Fund opened. This fund was aimed at supporting the wide range of commercial sport and leisure businesses that help keep the Welsh public active.

Commercial gyms, dance and fitness studios, trampoline parks and climbing centres were among the privately-run businesses who could apply for grants of £5,000 and £15,000 (depending on turnover). The extensive list of businesses who could be eligible for funding also included the likes of horse-riding centres, crossfit operators, water sports centres and 5-a-side facilities.

Due to high demand for financial support, additional Welsh Government funding worth £1.3m was secured to bolster the Sport Sector Private Provider Fund.

A total of 418 commercial businesses applied to the Sport Sector Private Provider Fund. Of those applicants, 91% were successful, resulting in over £4.28m being allocated to support 382 businesses.

## THEY SAID

Among those who welcomed the Sport Freelancer Fund was Vernon Cornish, a Cardiff-based fitness instructor.

He said:

“At the time of the first lockdown I taught some 13 group fitness classes a week and circumstances meant my income came to an end overnight. This Fund brings a huge sigh of relief not only because you can claim back some of the income lost but also because you can shed some of that anxiety about an uncertain future.”

**VERNON CORNISH, CARDIFF-BASED  
FITNESS INSTRUCTOR**



# MARCH 2021 – MAKING SPORT STRONGER AS WALES RECOVERS FROM THE PANDEMIC

## **A BOLD NEW INVESTMENT APPROACH WILL BE CENTRAL TO ALL FORMS OF INVESTMENT THAT SPORT WALES ALLOCATES TO MAKE SPORT IN WALES STRONGER AS WE RECOVER FROM THE PANDEMIC.**

During the development of Sport Wales' new strategy in 2019/20, it was recognised that a change was needed in the way that resources are allocated in order to improve participation levels and remove the barriers that remained for disadvantaged and minority groups.

As a result, a new approach to investment has been designed, following extensive engagement with partners and key stakeholders, which bases funding decisions on three key components:

- **INSIGHT, INFORMATION AND DATA**
- **CAPABILITY,**
- **ACCOUNTABILITY**

Although the last year has been like no other, these core principles have been at the heart of major investment decisions, most notably when awarding funding through the Be Active Wales Fund.

From 2021/22 onwards, Sport Wales will also use the new investment approach to determine how much money is allocated to its funded partners, starting with National Governing Bodies. Two of the elements – capability and accountability – were already introduced during 2020/21 for some partners as part of a phased approach.

## **THE USE OF INSIGHT**

Funded partners will be split into two camps. Those whose participation and demand figures are reported in the School Sport Survey and the National Survey for Wales will be considered as 'data-driven' partners. The resources awarded to them will be proportioned based on the insight gathered by those national surveys, and partners will be given greater flexibility and autonomy to then use funding where their own intelligence suggests it will make the greatest impact.

An application-driven approach will be offered to potential partners where official statistics and national data is unavailable.

## **MORE CAPABLE, INSIGHT-LED AND ACCOUNTABLE ORGANISATIONS**

Crucially, all potential partners must prove that they are capable of using public funds responsibly. They will need to meet certain requirements which demonstrate their capability in areas including governance and safeguarding.



Together with insight and capability, accountability is the third important element in the new model. Partners will be encouraged to give an honest account of their actions and how they will drive improvement within their organisation and across the sector. More capable, insight-led, accountable organisations will also be far stronger prospects to other potential funders.

## **DEALING WITH LESS OR MORE FUNDING**

When compared to previous years, the new investment approach may result in notable increases/decreases to the amounts of funding that partners receive from Sport Wales.

Data-driven partners who are due to get a rise in funding under the new investment approach will receive a phased increase which will be dependent on their own capacity to manage more investment. They will also be supported to make any gradual capability improvements that are required for them to receive increased funding.

In recognition of the current financial strain caused by Covid-19, any partners due to receive less funding via the new investment approach will have until 2025 to fully transition into their new funding arrangements. This will allow partners to prepare sufficiently for the future.

## **SCHOOL SPORT SURVEY POSTPONED**

One of the pillars of insight used in the new investment approach – the School Sport Survey – has been postponed from 2021 to 2022 to allow more time for the full effects of the Covid-19 pandemic to be understood, including any longer-term changes to demand and participation rates in sport across Wales.

## **CLIP ONLINE LEARNING**

To help the Welsh sport sector become more insight-led, the new Communications Learning and Insights Programme (CLIP) has been launched on the Sport Wales website. Designed to be a hub of learning, CLIP gives access to unique content and events, as well as networking opportunities with colleagues across Welsh sport.





# ***OTHER KEY DEVELOPMENTS IN 2020/21***

# BUSINESS PLAN OBJECTIVES

Sport Wales' 2020/21 Business Plan outlined 11 key projects to be focused on during the year. Despite those plans being overtaken by the Covid-19 pandemic, the majority of the objectives were delivered. A few were simply not possible due to global events.

- **Implementing the new resourcing model with all partners.** Funding for 2021/22 is based on the new investment approach.
- **Implementing Sport North Wales as the first Sport Partnership in Wales.** The business case was formally approved in December 2020. The new partnership will begin operations from April 2021.
- **A strategic review of the role and purpose of the two National Centres.** The review continued throughout the year, with in-depth updates taken to the Facilities Review Group on a regular basis.
- **Develop the culture of the organisation.** This is closely linked to the organisational redesign that was completed in 2020/21 (see below). The next areas of focus will be on continuing to embed Sport Wales' values across the business and evolving performance management processes.
- **Carry out a review of the Executive function to ensure that it complements the redesigned organisation and aligns to our new strategy.** This was completed in February 2021.
- **Scope out an approach to digital transformation that enables Sport Wales to maximise the benefit of technology.** Initial engagement and scoping work was conducted so that a roadmap can be created which will set out how every opportunity will be taken to embed the principles of digitalisation across all key areas of Sport Wales' work.
- **Respond to Welsh Government initiatives such as Healthy Weight, Healthy Wales, Place for Sport and the curriculum.** Key areas implemented (although revised in response to COVID-19 restrictions) include work on the £1m investment from Welsh Government to give over 60s more options to enjoy exercise.
- **Create a Public Affairs and Advocacy Plan in the lead up to the 2021 Welsh Assembly elections.** Extensive consultation was held with both staff and external stakeholders to inform clear policy positions across a range of areas.
- **Continue the progress towards developing a sports intelligence hub.** The Welsh Institute for Physical Activity, Health and Sport – a collaboration consisting of Sport Wales and the eight universities in Wales – was launched.
- **Prepare Welsh based athletes that qualify for TeamGB and ParalympicsGB.** Due to the postponement of the Tokyo 2020 Games, this area of work was not undertaken.
- **Host the Performance Analysis hub for TeamGB.** Due to the postponement of the Tokyo 2020 Games, this area of work was not undertaken.



## **ORGANISATIONAL REDESIGN**

Sport Wales has undergone many internal changes during 2020/21, following the completion of an organisational redesign.

The redesign was conducted to ensure that Sport Wales has the right structure, roles and people to drive forward its strategy and enable sport in Wales to thrive. The redesign facilitated greater cross-departmental working, allowing Sport Wales to respond with agility to the Covid-19 pandemic. There was also an increased focus on the wellbeing of staff throughout the year to re-emphasise the importance of work-life balance.

## **PUBLIC DUTIES**

In addition to this Annual Report, Sport Wales also publishes an Integrated Annual Report reporting our performance against its Equality Duty and the Wellbeing of Future Generations and a Welsh Language Standards Annual Report. Reporting requirements for these duties differ to the Annual Report, meaning that the 2020/21 reports aren't yet available but copies of the 2019/20 reports can be found below:

- Integrated Annual Report 2019/20
- Welsh Language Standards Annual Report 2019/20

# PERFORMANCE ANALYSIS



## NATIONAL SURVEY DATA

Sport Wales works closely with the National Survey development team within the Knowledge and Analytical Services department at Welsh Government to support the delivery of the Sport and Outdoor Recreation element of the National Survey for Wales. Some of the findings help to measure progress towards the goals of the Wellbeing of Future Generations Act. The survey conducted in 2019/20 shows the situation during the year directly before the Covid-19 outbreak in Wales.

For the third year in a row, the percentage of adults (over 16) who took part in sporting activities three times a week remained unchanged at 32% (around 808,000 people). 49% of all adults (1,236,000 people), would like to do more sport or physical activity and Sport Wales would like to support them to do so.

One of the key changes in Sport Wales new strategic direction is the establishment of a Policy and Public Affairs function, which it is hoped will advocate for joined up policy development across Government to ensure that if people are inactive, they have the opportunity to be active, and that the barriers are removed as much as possible. Sport Wales also saw, through its ComRes surveys (in May 2020, October 2020 and March 2021) that people felt keeping active, especially during the covid pandemic, was important. The survey also found that the number of people who wanted to volunteer in sport was around three times higher than the 10% who were active volunteers in sport before the pandemic hit.

The most common enablers to people doing more sport included being less busy at work, being younger, and having fewer family commitments.

<sup>1</sup>\*Sport Wales is a producer of Official Statistics and, as such, we comply with the Code of Practice for Statistics. This gives assurance to the public, government and other organisations that the data we produce is of value, is high-quality and can be trusted.\*

The most popular outdoor activity (over the previous four weeks) in 2019/20 was walking over two miles (including rambling or hill/fell walking), swimming, gym or fitness classes were the most popular indoor pursuits.

Next year, the survey is expected to look very different as Sport Wales worked with the National Survey team to redesign the sport section for use in telephone interviews in 2021-22, due to Covid-19.<sup>1</sup>

## WELSH INSTITUTE FOR PHYSICAL ACTIVITY, HEALTH AND SPORT

During 2020/21, the Welsh Institute for Physical Activity, Health and Sport (WIPHAS) – a collaboration between Sport Wales and all Welsh Universities – was established to be a central source for collating, commissioning and responding to the research needs of the sector. WIPHAS will seek to provide new and emerging evidence to respond to the areas of interest highlighted to Sport Wales by its network of partners.

## CHANGES TO FREE SWIMMING

Prior to the pandemic stopping activity in swimming pools, the Free Swimming initiative was amended with the aim of improving people's health and wellbeing by increasing the number of people enjoying swimming or aquatic related activities. The priority target group was young people aged under 16 years from deprived communities. To ensure the initiative was meeting the new objective, Sport Wales helped to design a data collection tool and template for capturing case studies.

# LOTTERY FUNDING AND ADDITIONALITY

All Lottery distributors are required to report on their policy and practice.

Lottery funding is distinct from Government funding and should not replace Exchequer spending. Where appropriate, it can complement Government and other programmes, policies and funding.

When we assess applications for funding, we ensure additionality is considered. We work closely with leading organisations to ensure that our funding programmes add value to Government and other funding but do not replace it.

## REVIEW OF NATIONAL LOTTERY DISTRIBUTION ACTIVITIES

During 2020/21 Sport Wales distributed awards under a number of Lottery Funded grant programmes.

## CAPITAL GRANTS

The fund's principal activities are aimed at increasing participation and improving performance in sport and physical recreation. Sport Wales introduced its plans for the distribution of lottery funds to capital projects in September 1994. A two stage process is used for all capital applications. The first stage of the application enables the initial focus to be more on the added benefits to sport and the aims, objectives and proposed management of the project. Applicants seek provisional approval of a scheme prior to undertaking the investment necessary to present the full application which is the second stage of the process.

Capital grant offers of £2,190,000 (2019/20 £2,805,000) were met during the year. The amount provided in the accounts for signed contracts relating to capital grants decreased by £615,000 in 2020/21 (2019/20 decrease of £850,000).

## REVENUE GRANTS

Revenue grant offers of £12,268,000 (2019/20 £10,399,000) were met during the year. The amount provided in the accounts for signed contracts relating to revenue grants increased by £1,869,000 in 2020/21 (2019/20 decrease of £89,000).

## MOVEMENT ON LOTTERY BALANCE TO 31 MARCH 2021

The following table shows the movements of the balances held with the National Lottery Distribution Fund in the year:

Balance at 1 April 2020	Unrealised Loss	Income Received (Net)	Money Drawn Down From National Lottery Distribution Fund	Balance at 31 March 2021
(£000)	(£000)	(£000)	(£000)	(£000)
15,027	-	16,334	(18,550)	12,811

The table shows a decrease in the balance held of £2.216 million, compared to an increase of £0.362 million in the previous financial year.

# FINANCIAL RESULTS



Sport Wales's Lottery Distribution results are set out in the Statement of Comprehensive Net Expenditure. Total net comprehensive expenditure for the financial year amounted to £2,651,000 (2019/20 total comprehensive income of £9,812,000). This has been transferred to reserves.

The statement of financial position for 2020/21 shows a total net asset figure of £7,579,000 (2019/20 £10,230,000).

The Directors continue to adopt the going concern basis in preparing the financial statements which assumes that Sport Wales will continue in operation for the foreseeable future.

## SUSTAINABILITY

Sport Wales actively pursues policies and initiatives that seek to reduce the impact its operations have on the environment. The Corporate Environmental Strategy is fully in place since previously being approved by the Board. Sport Wales target is an annual reduction of 3%. Due to the pandemic and the requirement to work at home if you can, this year there has been a 32% reduction of CO2 emissions. However, the data does not take into account the energy usage within employees own homes whilst working from home, which would offset this reduction.

While not captured in these figures, there has also been a significant reduction to our wider carbon footprint due to staff not commuting to the office throughout the pandemic. Some of these reductions are likely to remain in future years, as Sport Wales has committed to a blended approach to the future working environment with staff able to split their time between home and the office.

During 2020/21, Sport Wales has fully utilised Skype, Teams and Sharepoint to maintain business as usual.

Sport Wales also continues to offer a Cycle Scheme to employees, to reduce car usage. Employees may claim a mileage allowance of 20p per mile for all business journeys made by bicycle.

During March 2021, Sport Wales National Centre purchased a third hybrid pool car, so all pool cars are now fully hybrid, which will contribute to a further reduction in carbon emissions in future years.

Plans for 2021/22 at Cardiff include a proposal to install two EV charging points.

Sport Wales National Centre Energy Performance Operational Rating (DEC) reduced for the fourth year in a row and remains well below the typical rating for the type of building and the centre continues to operate in accordance with the Waste Hierarchy guidance and operates an Environmental Management System.

Due to Covid restrictions, the type of waste and levels varied compared to a 'traditional' year. This was due to new procedures and processes required to keep people safe when accessing facilities at the centre. Some of the required changes are referenced below:

- Increased use of disposable bowls as food (during restrictions) when served as takeaway-these bowls are plant based and compostable-if they go to landfill they break down within 12 weeks.
- Changed from bottle sauce to single use sachets.
- Oil use has reduced massively in the last year, meaning oil recycling has reduced. This is usually taken away and turned into bio-diesel.
- China mugs were removed from the rooms and replaced with disposable cups, but again these are compostable and break down once in landfill.
- Hygiene packs were introduced into the rooms, comprising of hand gel, sanitising wipes (for surfaces) and anti bac wipes for the guest. Increased waste.



Even though waste overall increased, this was down to a significant recycled waste collection compared to 2019/20. A large quantity of green waste being disposed of due to completion of ground works and landscaping. Other forms of waste collection including hazardous and non-hazardous to landfill reduced compared to prior years due to limited activity at the national centres due to Covid restrictions.

During the 2020/21 financial year Plas Menai has continued to implement its Environmental Improvement Plan and the ongoing building refurbishment has given further opportunities to upgrade to more energy efficient systems. Following the building enhancements and investments made in previous years, a further reduction has been seen in the DEC score/rating, which is now a D, with a score of 89 maintaining the good progress that has seen the rating fall from an F over the last 4 years.

During the year, Plas Menai have been working with the Carbon Trust on ways to further reducing our Carbon Footprint. As part of this work, it is now estimate that 70%+ of the centres lighting has been upgraded to low energy LED's, the recent upgrade of all the outdoor lighting has added to this figure.

In April 2020, the first of the 350MW solar arrays was commissioned. However, the full benefit from the solar array is not known due to the centre being closed for most of the year due to the pandemic.

During March 2021, a second 350MW solar array was installed at the Centre. This will help make further energy reduction savings, as well as reducing the electricity cost. The 2 arrays are on the South & Western facing roof areas at the front and side of the building.

It is anticipated that the two arrays will generate 50% of the electricity used at Plas Menai in the future.

As part of the same project, three EV Charging points were installed, of which two are for customer use and one for the centre, following the purchase of a fully electric 7-seater transporter.

## **FUTURE PLANS**

During 2021/22, a new heating system will be installed. Working in collaboration with the Carbon Trust, it has been identified that a heat pump, utilising water, or a ground source system will deliver the best returns. Utilising the Welsh Procurement Agency, work is currently underway to source a company to prepare the full technical specification. Following this, work is expected to commence in October 2021, to be fully commissioned by March 2022.

Other elements of this project include replacing the periphery heating system throughout the building, installing a third solar array and battery system specifically for the centre accommodation and to assist with the electrification of the heating in the bedrooms.



**ACCOUNTING OFFICER: S POWELL**  
**7<sup>TH</sup> JULY 2021**



# ACCOUNTABILITY REPORT

## CORPORATE GOVERNANCE REPORT

### DIRECTORS REPORTS

#### **BOARD**

During 2020/21, Sport Wales comprised the following board members;

Mr Lawrence Conway**	(Chair Appointed 01.09.2018)
Ms Pippa Britton**	(Vice Chair Reappointed 01.10.20)
Mr Ashok Ahir*	(Reappointed 01.10.20)
Mr Ian Bancroft	(Reappointed 01.10.20)
Ms Alison Thorne*	(Reappointed 01.10.20)
Ms Judi Rhys MBE	(Appointed 01.09.2018)
Prof Leigh Robinson	(Appointed 01.09.2018)
Mr Phil Tilley	(Appointed 01.09.2018)
Mr Martin Veale JP */**	(Appointed 01.09.2018)
Ms Rajma Begum	(Appointed 01.09.2019)
Mr Dafydd Trystan Davies	(Appointed 01.09.2019)
Ms Delyth Evans	(Appointed 01.09.2019)
Ms Nicola Mead-Batten*	(Appointed 01.09.2019)
Ms Hannah Murphy	(Appointed 01.09.2019)
Chief Executive	Ms S Powell
Acting Chief Executive***	Mr B Davies OBE (Effective 01.12.2019 to 28.06.2020)

\* Member of the Audit & Risk Assurance committee

\*\* Member of the Remuneration committee

\*\*\* Acting CEO whilst covering CEO adoption leave

#### **DECLARATIONS OF INTEREST**

All Members and senior staff of Sport Wales have completed a return detailing any interests in organisations which provide, or may seek to provide, commercial services to Sport Wales for 2020/21. Information provided that requires disclosure in accordance with International Accounting Standard 24 is disclosed in Note 17 of these accounts.

#### **PERSONAL DATA RELATED INCIDENTS**

Sport Wales has controls and policies in place to ensure data integrity. Information Technology systems ensure that the physical security of data is tightly controlled. As far as we are aware, no loss of data occurred during the period under review.

#### **RISK IDENTIFICATION AND MANAGEMENT**

Detail on Risk Management is contained in the Risk Management section of the Annual Governance Statement on page 64.

#### **SUPPLIER PAYMENT POLICY AND PERFORMANCE ACHIEVED**

Under the Late Payment of Commercial Debts (Interest) Act 1998 and in line with the Better Payment Practice Code (which can be located on [www.payontime.co.uk](http://www.payontime.co.uk)) Sport Wales is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the latter.

Sport Wales aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the year ended 31 March 2021 Sport Wales paid 100% (2019/20 99%) of all invoices within the terms of its payment

policy. No interest was incurred during the year as a result of late payments. Sport Wales is also aiming to pay suppliers wherever possible within 10 days in accordance with the Managing Welsh Public Money guidance issued in January 2016. During 2020/21, 93% of transactions by were paid within this timescale.

### **FINANCIAL INSTRUMENTS**

Details of financial instruments can be found in note 1.10 to the financial statements.

### **REMUNERATION OF AUDITORS**

The Audit & Risk Assurance Committee oversees the nature and amount of non-audit work undertaken by Audit Wales and National Audit Office our external auditors. During 2020/21 there was no non-audit work undertaken by auditors. The audit fee is disclosed in note 8 to the financial statements.

Statement on Disclosure of Relevant Audit Information.

1. As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and
2. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any audit information and to establish that the auditors are aware of that information.

### **STATEMENT OF COUNCIL'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES**

Under the Royal Charter, dated 4 February 1972, The Sports Council for Wales (Sport Wales) is required to prepare for each financial year statements of accounts in the form and on the basis determined by the Welsh Government, with the consent of the Treasury. The accounts are prepared on an accruals basis and must

give a true and fair view of Sport Wales' state of affairs at the year end, including its net expenditure, changes in equity and cash flows for the financial year.

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

- Observe the accounts direction issued by issued by Welsh Ministers and Department for Digital, Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed, and disclose and explain any material departure in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation; and
- Ensure that the annual report and accounts are fair, balanced, and understandable.

The Principal Accounting Officer for the Welsh Ministers has appointed the Chief Executive as the Accounting Officer for Sport Wales. My relevant responsibilities as Accounting Officer, including my responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for the keeping of proper records, and for safeguarding Sport Wales' assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury.



**ACCOUNTING OFFICER: S POWELL**  
**7<sup>TH</sup> JULY 2021**

# ANNUAL GOVERNANCE STATEMENT 2020/21

## INTRODUCTION

The Governance Statement brings together all disclosures relating to an organisation's governance, risk and control. As Accounting Officer I am personally responsible for the Governance Statement which outlines how I have discharged my responsibility to manage and control the resources of Sport Wales during the course of the year.

As Accounting Officer, I have reviewed the Corporate Governance in Central Government Departments: Code of Good Practice 2017 and believe that Sport Wales has fully complied with the relevant elements of the code in respect of both its Exchequer and Lottery functions.

## CORPORATE GOVERNANCE

### THE BOARD

Corporate Governance is the system by which organisations are directed and controlled. The Board of Sport Wales is responsible for the governance of Sport Wales and the Sports Council for Wales Trust. The Board's role is to satisfy itself that an appropriate governance structure is in place and to scrutinise the performance of the executive and the organisation's delivery of the Sport Wales Vision.

The Sport Wales Board is made up of a Chair, a Vice Chair and up to twelve other members all of whom are appointed by Welsh Government. The Board's composition includes representation from a wide cross section of different professions and members with expertise and experience relevant to both community and elite sport.

No new Board members were appointed during the year, but Welsh Government reappointed 4 existing Board members for a further term to September 2023. Those Board members are Pippa Britton (Vice Chair), Ashok Ahir, Ian Bancroft & Alison Thorne.

Since 31st March 2021, Lawrence Conway was also reappointed as Chair for a further 12 months to August 2022. Sarah Powell, CEO, has been appointed as CEO for British Gymnastics and will be leaving Sport Wales in October. Sport Wales and the Welsh Government has agreed that current Director Brian Davies, will be appointed on a fixed term basis as the Chief Executive from October. This will be reviewed once a new Chair is in post in 2022 to allow the new Chair to lead any future recruitment process. Welsh Government also confirmed the reappointment of 4 Board members whose terms were due to expire in September 2021 – Judi Rhys, Prof. Leigh Robinson, Phil Tilley and Martin Veale JP.

Sport Wales is committed to equality and the diversity of its Board, which now comprises 57% female representation, 14% ethnically diverse and 7% consider themselves to have a disability.

Attendances for both the Board and the Audit & Risk Assurance Committee are shown in the table below.

<b>Board Member</b>	<b>Board Meeting</b> (Number of meetings attended of up to 5)	<b>Audit &amp; Risk Assurance Committee</b> (Number of meetings attended of up to 4)
Lawrence Conway (Chair)	5 / 5	Not Applicable
Pippa Britton (Vice Chair)	5 / 5	Not Applicable
Ashok Ahir	5 / 5	3 / 4
Ian Bancroft	5 / 5	Not Applicable
Alison Thorne	4 / 5	4 / 4
Judi Rhys MBE	4 / 5	Not Applicable
Prof Leigh Robinson	5 / 5	Not Applicable
Martin Veale JP	5 / 5	4 / 4
Phil Tilley	5 / 5	Not Applicable
Rajma Begum	3 / 5	Not Applicable
Dafydd Trystan Davies	5 / 5	Not Applicable
Delyth Evans	5 / 5	Not Applicable
Nicola Mead-Batten	5 / 5	4 / 4
Hannah Murphy	5 / 5	Not Applicable
<b>(Independent members – Audit Committee only)</b>		
Gareth Jones	Not Applicable	4 / 4
Robert Williams	Not Applicable	4 / 4
<b>Overall Percentage Attendance rate</b>	<b>94%</b>	<b>96%</b>

To discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place, two permanent committees are established; The Audit & Risk Assurance Committee and the Remuneration Committee.

## **WHISTLEBLOWING POLICY**

Sport Wales has an established and Board approved Whistle-Blowing Policy which is detailed in the Staff Handbook. During 2020/21 Sport Wales was not aware of any reported incidents. We believe that the policy is effective and staff have full access to it, if required. The policy is reviewed periodically with the Staff Handbook.

## **AUDIT AND RISK ASSURANCE COMMITTEE**

The Board has established an Audit and Risk Assurance Committee to support it in discharging its responsibilities specifically in the areas of risk, internal control and governance through:

- Reviewing the comprehensiveness and operation of current processes, controls and other measures to meet the assurance needs of the Board and the Accounting Officer;
- Reviewing the reliability and integrity of the assurances provided by the executive and the internal and external auditors;
- Providing an opinion as to how well the Board and Accounting Officer are supported in decision making and in discharging their accountability obligations (particularly in respect of Financial Reporting).
- Risks identified are assigned to members of the Leadership Team and mitigating actions are detailed in the risk register.

During 2020/21, Sport Wales continued to use an 'Assurance Framework' to supplement the risk management process. The purpose of the Framework is to document the level of assurances, both internal and external, incorporated into business processes so as to provide the Accounting Officer and the Board with the requisite assurance. This is monitored regularly by the Audit & Risk Assurance Committee.

The Audit, Risk & Assurance Committee consists of up to seven members, two of which could be independent, with a minimum of one independent member required. The Committee met four times during the year and there was an overall members' attendance rate of 96%.

Over the year the Committee's areas of focus included (but was not limited to):

- The operation and effectiveness of the risk management and assurance framework;
- Internal audit reports covering specific business areas and the annual internal audit report;
- The Annual Report and Accounts and their format;
- Observations made by external audit, particularly the annual management letter;
- Compliance with the Framework Document issued by the Welsh Government as well as compliance with the Lottery Statement of Financial Requirement;
- Regulatory compliance;
- Review of grant funding;
- Review of core financial systems
- Review of Board member expenses;
- Review the Gifts and Hospitality Register;
- Agreeing the year's internal audit plan;
- Performance monitoring of internal & external audit



The Board received the minutes of the Audit and Risk Assurance Committee at each meeting and are advised by the Chair of any significant matters. The Chair also presents a formal annual report on the Committee's work to the Board. IT systems ensure that the physical security of data is controlled. In 2020/21 no information risk issues or significant control weaknesses were identified and the Audit and Risk Assurance Committee was satisfied that the level of risk was acceptable and managed in an appropriate manner.

### **REMUNERATION COMMITTEE**

The Remuneration Committee meet to review and recommend for approval to Welsh Government the Chief Executive's salary and the annual pay award for all staff via the Welsh Government's pay remit process. The Remuneration Committee meet once a year and is attended by the Chair, Vice Chair and Chair of Audit & Risk Assurance Committee. Further details can be found within the Remuneration and Staff Report on page 68.

### **THE EXECUTIVE SENIOR MANAGEMENT TEAM**

The Executive, under the leadership of the Chief Executive, is responsible to the Board for the development and implementation of strategy and policies and the reporting there of.

The Executive meets at regular intervals and typically fortnightly to discuss and agree corporate matters. Formal monthly meetings are held which follow an agenda and minutes are taken to ensure we record decisions at a corporate level. Progress against the Business Plan is reported and monitored on a quarterly basis.

As a result of the Covid-19 pandemic crisis, The Executive had to make decisions that might in normal circumstances have been expected to come to the Board before implementation. However, this was not possible within the time constraints imposed by the emergency and the deadlines that the Executive and Welsh Government had to work to, and in those circumstances

the CEO's decision was made following discussion with the Chair.

To ensure due diligence going forward, at the April committee meeting the Board agreed to the formation of 2 new Board sub-groups as follows:

- A sub-group to consider those matters on which the CEO required urgent agreement, and which could not wait for a full Board meeting for approval. The Chair proposed this group involve the Chair, the Vice Chair, the Chair of the Audit & Risk Assurance Committee and up to two other Board members (chosen on an ad hoc basis and primarily in response to their availability).
- A sub-group charged with considering the longer-term recovery strategy for the organisation and sports sector at large. This group would also monitor the relevance and fit of the Vision for Sport and Sport Wales' new strategy.

In addition to these sub-groups, the Board agreed at the September Committee to the formation of a Diversity sub-group of the Board to challenge, support and oversee the work of Sport Wales in delivering against its Equality Action Plan both internally and in its support to the sector.

## **BOARD AND COMMITTEE EFFECTIVENESS**

In response to the Covid-19 pandemic, all Board & sub-committee meetings were held virtually in 2020/21. Board members were regularly asked for their reflections on how the structure of these meetings could be improved and practical changes were incorporated to allow meetings to run more effectively.

An effectiveness review was carried out during the year and this led to a number of practical changes around Board development and personal development of Board members. Board members continued to engage informally in between meetings and are also included in the distribution list for all staff and partner updates from the Communications & Digital team.

The Board carried out an effectiveness review during the year and a number of practical changes were introduced. There were also a number of Board development sessions delivered through the year on subjects ranging from Transgender in Sport to our approach to Research on the Impact of Covid.

Communication outside of board meetings, both formally and informally was identified as a key opportunity to help Board remain informed and engaged with the organisation.

The Board is committed to supporting the Executive Team and resolved during the year to nominate individual Board members to work closely with members of the Executive on all major projects, for example the Community Sport & Activity Project.

The Board is content with the quality and amount of information received in order for it to make considered decisions.

## **RISK MANAGEMENT**

### **The purpose of the system of internal control.**

The system of internal control is designed to manage and limit risk but can never eliminate it. It therefore only provides reasonable and not absolute assurance. The system of internal control is based upon an on-going process designed to identify and prioritise the risks of achieving Sport Wales' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should this happen, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at Sport Wales throughout the year ended 31 March 2021 and up to the date of approval of the annual report and accounts and accords with Treasury guidance. Finally, the system of internal control provides reasonable assurance that Sport Wales has complied with the Lottery financial directions and that adequate processes are in place for the detection of conflicts of interest and to minimise losses of Lottery grants.

Whilst the system of internal control has had to be adapted to respond to the pandemic and the majority of staff working remotely, this has not led to significant changes or control weaknesses.

### **CAPACITY TO HANDLE RISK**

As Accounting Officer I am personally responsible for ensuring that Sport Wales has an effective risk management process. This is overseen by the Board, through the Audit & Risk Assurance Committee. As an organisation, the key risks are monitored through appropriate use of the Corporate Risk Register. There is a documented Risk Strategy & Management Policy that contains definitions relating to risk management and the policy also sets out how risks should be identified, recorded, analysed and managed.





Corporate risks, and the control measures implemented to mitigate them, are assigned to and managed by the appropriate manager, corporate director or in some cases by the Accounting Officer. Operating risks are the responsibility of the relevant heads of department while day to day risk management may be delegated to the staff they manage.

New risks are identified by officers of Sport Wales, Audit & Risk Assurance Committee scrutiny or the Board itself. When a new risk has been identified, it is inserted into the appropriate Risk Register, assessed and scored and assigned to a corporate director and/or manager.

### **THE RISK AND CONTROL FRAMEWORK**

Risk management is embedded within the management structure of Sport Wales. The majority of identified risks are derived from the organisational objectives and the business planning process of Sport Wales.

The Risk Register is an electronic solution that is accessible to all Sport Wales employees via an online portal, with editing rights limited to relevant managers. Sport Wales' risk management arrangements are subject to an annual internal audit and presented to the Audit & Risk Assurance Committee. The Risk Register records significant corporate risks including risks to information, an overall assessment of likely impact and probability, control measures and where required, a list of future action measures. The Corporate Risk Register is reviewed at regular intervals by Senior Management, the Risk Management & Assurance Group and the Audit & Risk Assurance Committee. In addition, managers present by rotation to the Risk Management & Assurance Group on their specific areas of risk and how they control or mitigate those risks. The Assurance Framework is similarly reviewed by the Risk Management & Assurance Group.

### **GRANTS MONITORING**

The majority of Sport Wales' funding is expended in the award of grants. Grant awards are made on clear investment criteria into key sporting outputs and outcomes. Sport Wales takes appropriate steps to monitor the application of such awards by requiring formal reporting from recipients, as well as maintaining an on-going dialogue with key partners to gather informal intelligence. In addition, there are specific reconciliation criteria and where expenditure may vary from the level of grant award, Sport Wales exercises its right to claw back such amounts. In order to support the sector through the pandemic, the quantum of grants awarded increased significantly in 2020/21. Appropriate controls were maintained throughout this period and we worked closely with partner organisations to ensure that recipients weren't able to access multiple sources of support for the same purpose.

## KEY RISKS

Risks to key strategic and operational activities are identified, evaluated and considered by the Risk Management and Assurance Group, and action taken to mitigate them. Corporate Risks and the actions to mitigate them are reviewed at regular intervals. The internal audit programme is influenced by risks recorded in the Risk Register and, where appropriate, the auditors make recommendations to address any risk or identify new ones. The Audit & Risk Assurance Committee review these recommendations at each committee meeting and discuss and give feedback to the Executive.

Looking ahead, there are a number of key risks which have been identified at Sport Wales and included in the Corporate Risk Register.

There remains a substantial risk that the financial & delivery impact the Covid-19 pandemic continues to have on partners and the wider sporting sector will inhibit progress of the Sport Wales Strategy and Vision for Sport in Wales. In response to this risk, through a combination of repurposed Welsh Government & National Lottery funding and additional Welsh Government funding, Sport Wales provided an additional £17.5m of support to the sector through 2020/21. As we move into the new financial year, we will continue to evaluate the impact of Covid-19 on the people of Wales and use that insight to tailor the community funding streams and organisational resources that we provide to the sector and public.

Whilst Sport Wales is extremely grateful to Welsh Government for an increased budget for 2021/22, the increased financial cost of meeting pension deficit payments, coupled with the loss of income from the closure of our 2 National Centres during lockdown restrictions continues to present a huge challenge in delivering Sport Wales' objectives.

The Covid-19 movement restrictions have also led to a significant disruption to operations and our usual ICT systems. Sport Wales has strong controls and systems in place to allow staff to work remotely, but there would be a significant business disruption if these systems were to fail.

Other risks on the Corporate risk register include a failure to comply with all legislation, sensitive information loss or exposure and a failure to maximise the use of technology & data.

Sport Wales has an overall informed and measured appetite for taking risk to achieve its priorities. Risk appetite is owned by the Board and is reviewed annually. Where significant risk arises Sport Wales will take effective control action to reduce and manage these risks to a safe level. The Executive and Board are aware of the need to innovate further and faster in the future and to this end are actively exploring different delivery mechanisms and partners. This will create new and different risks and potentially increase the level of risk taken by Sport Wales. The Sport Wales risk appetite may therefore rise but only within an informed and managed risk environment.

The Internal Auditors have, for the sixth consecutive year, given Sport Wales an overall "substantial assurance" rating for the year. It also gave this highest rating category for Sport Wales' corporate governance and risk management arrangements. During the year, internal audit reports identified opportunities to enhance the control systems.

It is encouraging to note that arising out of the internal audit work, there were no findings classified as being of "high" risk. In total, 9 recommendations were made together with 6 action points. Of the recommendations made, 8 (89%) were classed as 'low' priority and 1 (11%) was classed as 'medium' priority. This is a substantial improvement on last year's performance.



In terms of follow-up action, 8 out of 16 previous recommendations had been implemented at the time of the audit and 5 other recommendations had been implemented by the end of the year. The remaining 3 recommendations had their timescales re-assessed by the Executive due to the pandemic and Audit & Risk Assurance Committee were kept informed of progress.

### **INTERNAL CONTROL**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Sport Wales' policies, aims, and objectives. I also have personal responsibility for safeguarding the proceeds from the National Lottery distributed to Sport Wales and Sport Wales' assets, in accordance with the responsibilities assigned to me in Managing Welsh Public Money.

I am responsible for reviewing the effectiveness of the system of internal control. This is overseen by the Board, through the Audit & Risk Assurance Committee. It is informed by the work of both the internal and external auditors and the staff presentations to the Risk Management & Assurance Group of Sport Wales who have responsibility for the development and maintenance of the internal control framework. I plan to address identified weaknesses and ensure continuous improvement of these systems.

The internal audit service for Sport Wales during 2020/21 was provided by Deloitte LLP, who operated to standards defined in the Public Sector Internal Audit Standards. Internal audit submit regular reports which inform an independent annual opinion on the adequacy and effectiveness of Sport Wales' systems of internal control and risk management, together with recommendations for improvement.

Every year the Audit & Risk Assurance Committee produces an Annual Report of their work to the Board of Sport Wales.

### **ON-GOING DEVELOPMENTS**

Whilst the current system of internal control is strong, there are always areas which require or will benefit from improvement.

Building on the work of last year, this year has seen a further focus on information and cyber security controls. An organisational redesign has added additional resource to this function, and we have increased our staff training and threat detection capabilities in light of our workforce being more dispersed.

We have also provided additional cyber security and governance support to the sector throughout the past 12 months, strengthening the controls in place to manage the risk inherent in investing public funding into third party organisations, whilst also increasing their accountability.

**ACCOUNTING OFFICER: S POWELL**  
**7<sup>TH</sup> JULY 2021**

## REMUNERATION AND STAFF REPORT

Sport Wales has an extensive range of policies which reflect current legislation and aim to secure retention and motivation. These policies are reviewed regularly with staff involvement via a recognition agreement with the Public and Commercial Services (PCS) Union. All policies are equality checked before implementation. Sport Wales is committed to a policy of equality of opportunity in its employment practices. In particular, Sport Wales aims to ensure that no potential or actual employee receives more or less favourable treatment on the grounds of age, disability, ethnic or national origin, gender, marital or parental status, nationality, political belief, race, religion, or sexual orientation. We also follow the 'Equality Standard for Sport' and 'Positive about Disabled' schemes.

Following the successful implementation of the new pay and grading structure from September 2019, employees have the choice to either remain on current terms or opt into the new structure and have access to the enhanced flexible benefits.

During 2020/21 Sport Wales carried out an organisational redesign, which led to a large proportion of staff moving into changed roles across the organisation. We continue to be a Living Wage employer with a starting salary of at least £10.25 per hour. All staff were awarded a cost of living pay award of 2.5% during the year.

## INVESTING IN OUR PEOPLE

Sport Wales continues to achieve Investors In People accreditation and is continuing to build on the recommendations made at the last assessment (Spring 2019) as we update our policies and procedures.

## SICKNESS ABSENCE DATA

The sickness data for employees of the whole organisation for 2020/21 (2019/2020) is as follows:

Total Days Lost	Total Number of Employees (FTE)	Total Sick Days Lost Per Person
520.84 (811.11)	156.50 (160.70)	3.33 (5.05)

The overall absence rate for 2020/21 is 1.70%. This is an improvement from the 2019/2020 of 2.25% which was lower than the 2018/19 rate of 2.61% and is comparable with ONS (Office of National Statistics) latest published rates for the public sector of 1.8%.

Of the 1.70%, 1.42% were classed as long term and 0.28% as short term. As part of a continued focus on managing absence and employee health effectively, Sport Wales' sickness absence policy will continue to be reviewed during 2021/22, with support from the recognised Trade Union (PCS).

Staff turnover for 2020/21 was 9.17% (2019/20 12.61%), of which 5.16% was due to the employee leaving following redundancy (2019/20 6.3%).

The Staff Engagement Group established last year has continued to provide support to the Leadership Team and staff engagement & wellbeing as been at the heart of our thinking, given the well documented effects of Lockdown on physical and mental wellbeing. Specific initiatives this year have included Mental Health First Aid Training, Stress Awareness sessions, purchasing of Headspace staff with access for all staff to use and designating additional wellbeing time for staff.



## **PENSION SCHEME**

Sport Wales operates two pension schemes for its staff. Most staff are members of the Cardiff and Vale of Glamorgan Pension Fund. The Fund is a defined benefit scheme based on Career Average Re-Valued Earnings (CARE). The Fund's assets are held separately from those of Sport Wales. Any pension built up before April 2008 is calculated at a rate of 1/80th with a lump sum of three times pension. Pension built up from 1 April 2008 is calculated at the rate of 1/60th and there is an option to take an extra lump sum in exchange for pension. Pension built up from 1 April 2014 is calculated at the rate of 1/49th with an option to take an extra lump sum in exchange for pension. The contributions of employees are set at 5.5% to 10.5% based on salary range or 2.75% to 5.25% if the employee opts for the 50/50 pension scheme. Further details can be found in note 1.6 and note 18 to the financial statements. In addition, Sport Wales operates a Defined Contribution pension scheme, with Scottish Widows, in which Sport Wales contributes 6.5%, with employees contributing 1.5%.

## **REMUNERATION POLICY**

In accordance with Chapter 5 of the Financial Reporting Manual, Sport Wales is required to disclose the following concerning remuneration during the year of Council Members and senior staff with responsibility for running policy making departments. Treasury guidance requires the financial statements to disclose the cash equivalent transfer value of pensions for Sport Wales' Members and senior staff.

The Chair, Vice Chair and Members of Sport Wales are paid in accordance with the Welsh Government "Remuneration and expenses of Chairs and Members of WSGBs and NHS Bodies" policy.

The Remuneration Committee which consists of Sport Wales' Chair, Vice Chair and Chair of the Audit & Risk Assurance Committee

supported by Sport Wales' delegated employees meets to agree the pay award for all staff via the Welsh Government's pay remit process. All changes of pay for the CEO are approved by the Remuneration Committee.

## **SERVICE CONTRACTS**

The senior staff of Sport Wales are employed on terms and conditions broadly analogous to the Welsh Government terms and conditions.

Sport Wales' Members are appointed by Welsh Ministers for a three year contracted period and may be reappointed normally for a further three year period. The Chair is entitled to be remunerated at a daily rate of £337 and is contracted to work two days per week. The Vice Chair is remunerated at a daily rate of £311 and is contracted to work three days a month.

## **NOTICE PERIOD**

The Chief Executive is entitled to four months' notice of termination of contract by Sport Wales and the remaining senior staff are entitled to twelve weeks' notice of termination of contract.

## **TRADE UNION FACILITY TIME**

Sport Wales allow members of the PCS union Branch Executive Committee to work on union matters, when needed, during working hours and the employee will still receive their full salary entitlement.

## **CHIEF EXECUTIVE OFFICER SALARY**

### **REMUNERATION**

“Salary” includes gross salary, allowances and performance bonuses where applicable. During the year the Chief Executive received a gross salary of £102,000 (2019/20 £97,400). During the year actual salary received was £96,000 due to the Chief Executive being on adoption leave for part of the year and receiving Statutory Adoption Pay. Whilst the Chief Executive was on adoption leave, Brian Davies was appointed Acting Chief Executive from 1st December 2019 until 28th June 2020. Gross salary was £102,000 whilst acting Chief Executive. During the year, actual salary received was £78,000. No members of staff are eligible for a bonus payment.

A proportion of the Senior Management salary costs are allocated to lottery.

## **BENEFITS IN KIND**

There are no benefits in kind.

## **SALARY AND PENSION ENTITLEMENTS**

The following sections provide details of the remuneration and pension interest of the senior managers of Sport Wales. Details on start/leave dates can be found in the Pension Benefits table on page 74. This information is audited.



### STAFF NUMBERS AND RELATED COSTS (SUBJECT TO AUDIT)

Average No. of full time equivalent staff involved	2020/21	2019/20	2020/21 £'000	2019 / 20 £'000
<b>Gross salary costs</b>				
Chair L Conway*	0.20	0.20	18	18
Chief Executive S Powell	0.25	0.25	24	24
Other Staff**	51.62	50.03	2,774	2,658
			<u>2,816</u>	<u>2,700</u>
Salaries and wages			2,066	1,918
Social Security costs			216	205
Other Pension costs			687	620
IAS19 Adjustments			(153)	(43)
			<u>2,816</u>	<u>2,700</u>

### STAFF COSTS ARE FURTHER ANALYSED AS FOLLOWS:

	2020/2021 £'000	2019 / 2020 £'000
Administration	1,143	1,194
Sports Science Support to Athletes	1,673	1,506
	<u>2,816</u>	<u>2,700</u>

\* The average number of staff employed are all permanent contract staff. The Chair is appointed to work 2 days per week and spends 50 per cent of that time on lottery activities.

\*\* Includes Brian Davies FTE for the three months as acting CEO and nine months as Director.

## REMUNERATION (SUBJECT TO AUDIT)

Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit to nearest £1,000	Total £000
		2020/21 (2019/20)	2020/21 (2019/20)	2020/21 (2019/20)	2020/21 (2019/20)
Mr Lawrence Conway	Chair	50% (50%)	35-40 (35-40)	- -	35-40 (35-40)
Ms Pippa Britton	Vice Chair	50% (50%)	10 - 15 (10 - 15)	- -	10 - 15 (10 - 15)
Ms Sarah Powell	Chief Executive	25% (25%)	95 - 100 (95 - 100)	35,000 (25,000)	125 - 130 (120 - 125)
Mr Brian Davies OBE <sup>1</sup>	Corporate Director / Acting CEO	80% (25%)	75 - 80 (65 - 70)	49,000 (37,000)	125-130 (100 - 105)
Mr Paul Randle <sup>2</sup>	Corporate Director	25% (25%)	65 - 70 (70 - 75)	20,000 (23,000)	90 - 95 (90 - 95)
Mr Graham Williams	Corporate Director	25% (25%)	65 - 70 (60 - 65)	47,000 (40,000)	115 - 120 (100 - 105)
Mr Steven Morgan	Manager Plas Menai Watersports Centre	0% (0%)	55 - 60 (50 - 55)	15,000 (19,000)	65 - 70 (70 - 75)
Mr Craig Nowell <sup>3</sup>	Assistant Director National Centre	(0%) -	40-45 -	13,000 -	55 - 60 -
Mr Malcolm Zaple <sup>4</sup>	Manager Sport Wales National Centre	0% (0%)	35 - 40 (60 - 65)	(12,000) (14,000)	20 - 25 (70 - 75)
Mr Richard Parks <sup>5</sup>	Council Member	- (50%)	- (0 - 5)	- -	- (0 - 5)
Ms Johanna Sheppard <sup>6</sup>	Council Member	- (50%)	- (0 - 5)	- -	- (0 - 5)
Mr Ashok Ahir	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Mr Ian Bancroft	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Ms Alison Thorne	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)





Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit to nearest £1,000	Total £000
		2020/21 (2019/20)	2020/21 (2019/20)	2020/21 (2019/20)	2020/21 (2019/20)
Ms Judi Rhys MBE	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Prof Leigh Robinson	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Mr Phil Tilley	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Mr Martin Veale JP	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Ms Rajma Begum <sup>7</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	- -	5 - 10 (0 - 5)
Mr Dafydd T Davies <sup>7</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	- -	5 - 10 (0 - 5)
Ms Delyth Evans <sup>7</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	- -	5 - 10 (0 - 5)
Ms Nicola Mead-Batten <sup>7</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	- -	5 - 10 (0 - 5)
Ms Hannah Murphy <sup>7</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	- -	5 - 10 (0 - 5)

1. Acting CEO from 01.12.2019 until 28th June 2020. Lottery Appn 80% as Director / 25% as Acting CEO
2. Appointed 2nd January 2019, resigned 28th February 2021. FTE salary banding 75k – 80k
3. Appointed 13th July 2020. FTE salary banding 55k – 60k
4. Left 30th June 2020 and now active member of pension scheme. FTE salary banding 60k – 65k
5. Resigned 7th July 2019
6. Retired 30th April 2019
7. Appointed 1st September 2019

The Remuneration Report now requires that a Single Total Figure of Remuneration is shown. The above table is similar to that used previously, and still shows the salary paid in bandings. The pension benefit figure which contributes to the single total figure is calculated in a new way as follows:

(real increase in pension\* x 20) + (real increase in lump sum\*) – (contributions made by employee)

\*excluding increases due to inflation or any increase/decrease due to a transfer of pension rights

The pension benefit figure is not an amount that has been paid to the employee by Sport Wales during the year. It is a future benefit for the employee which is influenced by many factors including but not limited to, salary changes and any additional contributions made by the employee.

#### **PENSION BENEFITS OF SENIOR MANAGERS (SUBJECT TO AUDIT)**

Name	Real increase in Pension (and lump sum) at state pension age for 2020/21	Total accrued Pension (and lump sum) at state pension age at 31 March 2021	CETV at 31 March 2021	CETV at 31 March 2020	Real Increase/ (Decrease) CETV in Year
	£000	£000	£000	£000	£000
<b>Ms Sarah Powell</b> Chief Executive	0.0 – 2.5 (0.0 – 2.5)	35 – 40 (40 – 41)	547	495	42
<b>Mr Brian Davies OBE</b> Acting CEO/ Corporate Director*	2.5 – 5.0 (0.0 – 2.5)	20 – 25 (15 – 20)	371	242	122
<b>Mr Paul Randle**</b> Corporate Director	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	66	45	14
<b>Mr Graham Williams</b> Corporate Director	2.5 – 5.0 (2.5 – 5.0)	25 – 30 (35 – 40)	494	432	57
<b>Mr Steven Morgan</b> Manager Plas Menai Watersports Centre	0.0 – 2.5 (0.0 – 2.5)	5 – 10 (0 – 5)	132	114	13
<b>Mr Craig Nowell</b> Assistant Director Sport Wales National Centre***	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	8	0	5
<b>Mr Malcolm Zapple</b> Manager National Centre****	-0.0. – 2.5 (-0.0 – 2.5)	30 – 35 (45 – 50)	606	601	4

\*Brian Davies was appointed Acting CEO as at 01.12.2019 until 28.06.2020, whilst Sarah Powell was on adoption leave. Amalgamated two Cardiff & Vale pensions.

\*\*Resigned 28.02.2021

\*\*\*Appointed 13.07.2020

\*\*\*\*Left 30<sup>th</sup> June 2020 and now active member of pension scheme.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Sport Wales' pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

### **REAL INCREASE IN CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **FAIR PAY DISCLOSURES (SUBJECT TO AUDIT)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2020/2021 No	2019/2020 No
Band of Highest Paid Director's Total Remuneration (£ '000)	100 – 105	95 – 100
Median Total Remuneration Ratio	31,678 3.2	30,558 3.2

The ratio was calculated using the following assumptions:

1. Salaries for staff paid through the payroll and agency staff have been used
2. Figures have not been adjusted to reflect any apportionment to the Lottery accounts i.e. costs reflect all staff employed by The Sports Council for Wales processed through the payroll.

Total remuneration includes salary and allowances but excludes severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration ranged from £19,800 to £101,560 (2019/20 remuneration ranged from £19,300 to £97,400)

### **TAX POLICY FOR OFF-PAYROLL APPOINTEES**

As at 31 March 2021, there were 7 arrangements that had existed (2019/20, 6 arrangements) and have been in place for 4 years or more. All arrangements have been assessed and are classed as operating outside of IR35. Sport Wales are content that assurance has been sought to confirm that individuals have made appropriate arrangements to pay tax. Neither individual is a Board member or is a senior official with significant financial responsibility.

### **STAFF COMPOSITION**

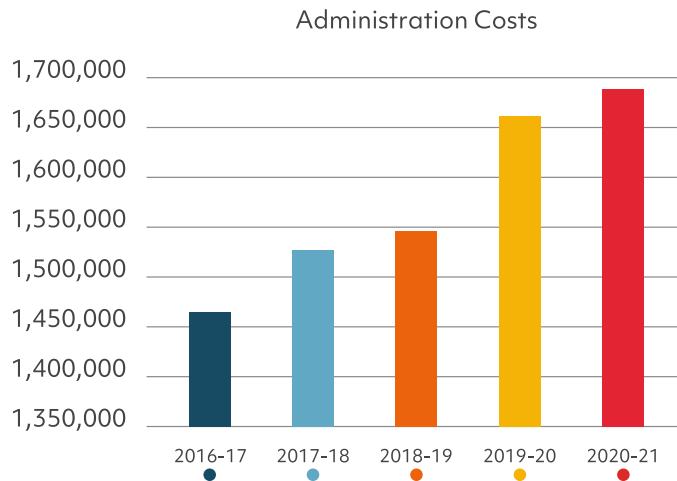
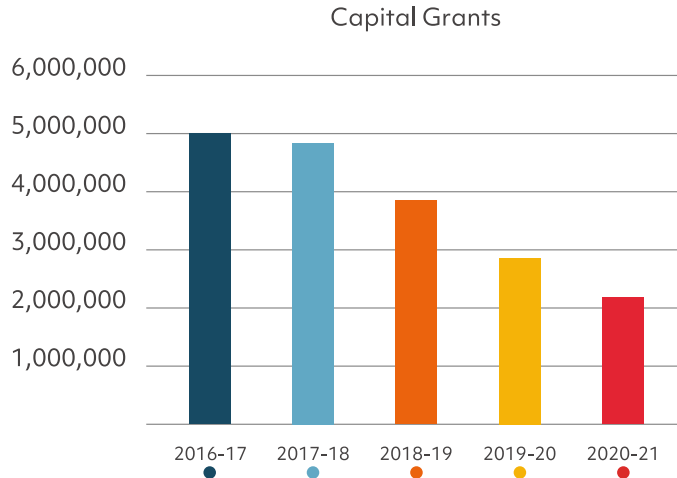
Staff composition of corporate directors are 75% male and 25% female. Of the remaining permanent employees 48% are male and 52% female

**ACCOUNTING OFFICER: S POWELL**  
**7<sup>TH</sup> JULY 2021**

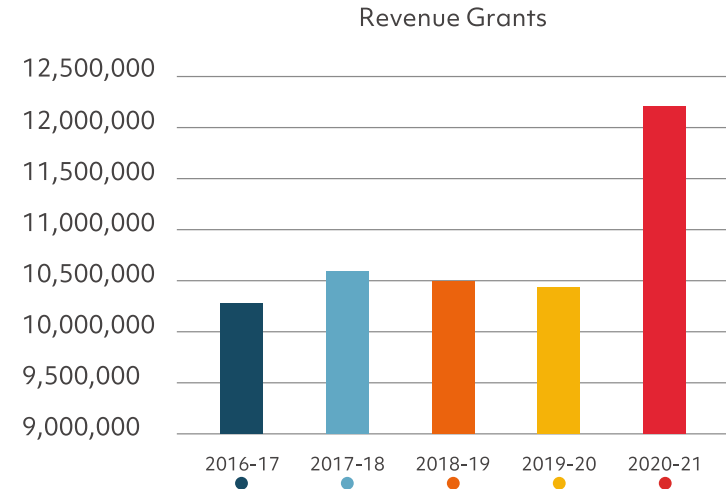


## PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

**Remote Contingent Liabilities (subject to audit)** - Sport Wales do not have any remote contingent liabilities.



**Long term expenditure trends** – trends over the last five years can be seen below:



### Losses, special payments and material income (subject to audit)

- During 2020/21 there have been no losses, special payments or gifts made. There has also been no material fees or charges income.

**ACCOUNTING OFFICER: S POWELL**  
**7<sup>TH</sup> JULY 2021**

# **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SENEDD**

## **OPINION ON FINANCIAL STATEMENTS**

I certify that I have audited the financial statements of the Sports Council of Wales Lottery Distribution Account for the year ended 31 March 2021 under the National Lottery etc Act 1993. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows and Changes in Taxpayers' Equity, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the Sports Council of Wales Lottery Distribution Account's affairs as at 31 March 2021 and of the net expenditure for the year then ended;
- 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 OF OPINIONS**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. 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 have also elected to apply the ethical standards relevant to listed entities. I am independent of the Sports Council of Wales Lottery Distribution Account 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 Sports Council of Wales Lottery Distribution Account'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 Sports Council of Wales Lottery Distribution Account'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 Council and 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 Sports Council of Wales Lottery Distribution Account is adopted in consideration of the requirements set out in the 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 anticipated that the services which they provide will continue into the future.

### **OTHER INFORMATION**

The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. The Council and 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. In connection with my audit of the financial statements, 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, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited 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 Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **MATTERS ON WHICH I REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Sports Council of Wales Lottery Distribution Account and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability report. 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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **RESPONSIBILITIES OF THE COUNCIL AND ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS**

As explained more fully in the Statement of Council's and Chief Executive's Responsibilities, the Sports Council of Wales and the

Accounting Officer, is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Council and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Sports Council of Wales Lottery Distribution Account'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 Council and the Accounting Officer anticipates that the services provided by Sports Council of Wales Lottery Distribution Account 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Sports Council of Wales' internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Sports Council of Wales Lottery Distribution Account's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Sports Council of Wales Lottery Distribution Account's controls relating to the National Lottery etc Act 1993, the Royal Charter and Managing Public Money.
- discussing among the engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals; and
- obtaining an understanding of Sports Council of Wales Lottery Distribution Account's framework of authority as well as other legal and regulatory frameworks that the Sports Council of Wales Lottery Distribution Accounts operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Sports Council of Wales Lottery Distribution Accounts. The key laws and regulations I considered in this context included the National Lottery etc Act 1993, the Royal Charter, Managing Public Money and Employment Law.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting 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 also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists 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.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions 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 that I identify during my audit.

### **REPORT**

I have no observations to make on these financial statements.

**GARETH DAVIES**  
**COMPTROLLER AND AUDITOR GENERAL**

Date:

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP



## **SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2020/21 £'000	2019/20 £'000
<b>Expenditure</b>			
Grant offers made in year	3	14,352	3,259
Less lapsed and revoked offers	3	(28)	(194)
Staff costs	7	2,816	2,700
Depreciation	9	38	40
Other operating costs	8	450	481
<b>Total Expenditure</b>		17,628	6,286
<b>Gross Income</b>			
Proceeds from National Lottery Distribution Fund (NLDF)	11	(16,488)	(16,133)
Investment returns from the NLDF	11	(10)	(77)
Recoveries of grant		(2)	(20)
Other income	8	(245)	(193)
<b>Total Income</b>		(16,745)	(16,423)
<b>Net Expenditure/ (Income) before interest and taxation</b>		883	(10,137)
Interest receivable		-	(7)
<b>Net Expenditure / (Income) before taxation</b>		883	(10,144)
Taxation payable	6	-	1
<b>Net Expenditure / (Income) after taxation</b>		883	(10,143)
<b>Other Comprehensive Expenditure / (Income)</b>			
Pension finance cost	18	75	73
Actuarial Loss on Pension	18	1,693	258
<b>Total Comprehensive Expenditure / (Income) for the year ended '31 March 2021</b>		2,651	(9,812)
Balance at 1 April		(10,230)	(418)
Balance at 31 March		(7,579)	(10,230)

All recognised gains and losses have been calculated on the historical cost basis and have been reflected in the above statement.

All activities are continuing with no acquisitions or disposals. The notes on pages 85 to 106 form part of these accounts.

## SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	As at 31 March 2021 £'000	As at 31 March 2020 £'000
<b>Non Current Assets</b>			
Property, plant and equipment	9	130	133
<b>Current Assets</b>			
Trade receivables and other current assets	10	14	25
Investments - balance held in NLDF	11	12,811	15,027
Cash and cash equivalents	13	2,056	450
<b>Total Current Assets</b>		<u>14,881</u>	<u>15,502</u>
<b>Total Assets</b>		<u>15,011</u>	<u>15,635</u>
<b>Current Liabilities</b>			
Grant accrual	3	(276)	(373)
Other current liabilities	12	(2,235)	(1,689)
<b>Total Current Liabilities</b>		<u>(2,511)</u>	<u>(2,062)</u>
<b>Non Current Assets plus Net Current Assets</b>		12,500	13,573
<b>Non Current Liabilities</b>			
Grant accrual	3	(29)	(66)
Pension liability	18	(4,892)	(3,277)
		<u>(4,921)</u>	<u>(3,343)</u>
<b>Assets less Liabilities</b>		<u>7,579</u>	<u>10,230</u>
<b>Reserves:</b>			
Income and Expenditure Reserve		12,471	13,507
Pension Reserve	18	(4,892)	(3,277)
		<u>7,579</u>	<u>10,230</u>

The notes on pages 85 to 106 form part of these accounts.

The financial statements were approved by the Board and signed on its behalf by:

**ACCOUNTING OFFICER: S POWELL**  
**7<sup>TH</sup> JULY 2021**



## SPORTS COUNCIL FOR WALES LOTTERY DISTRIBUTION ACCOUNT STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 £'000	2019/20 £'000 (Restated)
<b>Cash flow from operating activities</b>			
Net (Expenditure) / Income after taxation		(883)	10,143
Decrease / (Increase) in receivables	10	11	(19)
Increase / (Decrease) in payables	3, 12	412	(9,510)
Decrease / (Increase) in balance held at NLDF	11	2,216	(362)
Interest received		-	(7)
Depreciation of plant & equipment	9	38	40
Pension cost	18	(153)	(43)
<b>Net cash inflow from operating activities</b>		1,641	242
<b>Cash flow from investing activities</b>			
Interest received		-	7
<b>Cash flow from financing activities</b>			
Purchase of property, plant & Equipment	9	(35)	(10)
Loan repayments	10	-	14
<b>Taxation</b>			
Corporation tax paid		-	(1)
Net cash inflow for the year	13	1,606	252
<b>Net increase in cash and cash equivalents in the period</b>			
Cash and cash equivalents at the beginning of the period		450	198
Cash and cash equivalents at the end of the period		2,056	450
		1,606	252

The notes on pages 85 to 106 form part of these accounts.

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE SPORTS COUNCIL FOR WALES LOTTERY DISTRIBUTION ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Balances held in NLDF £'000	Balances held at SCW £'000	Pension Reserve £'000	Total £'000
Balance at 1 April 2019	14,665	(11,258)	(2,989)	418
<b>Changes in Taxpayers' Equity 2019/20</b>				
Income from the National Lottery	16,133	-	-	16,133
Drawn down in year by Sport Wales	(15,700)	15,700	-	-
Investment Returns	77	7	-	84
Other Operating Income	-	193	-	193
Recoveries of grants	-	20	-	20
Expenditure in year	(148)	(6,182)	-	(6,330)
Pension Cost	-	-	(288)	(288)
<b>Balance as at 31 March 2020</b>	<u>15,027</u>	<u>(1,520)</u>	<u>(3,277)</u>	<u>10,230</u>
<b>Changes in Taxpayers' Equity 2020/21</b>				
Income from the National Lottery	16,488	-	-	16,488
Drawn down in year by Sport Wales	(18,550)	18,550	-	-
Investment Returns	10	-	-	10
Other Operating Income	-	245	-	245
Recoveries of grants	-	(2)	-	(2)
Expenditure in year	(164)	(17,613)	-	(17,777)
Pension Cost	-	-	(1,615)	(1,615)
<b>Balance as at 31 March 2021</b>	<u><u>12,811</u></u>	<u><u>(340)</u></u>	<u><u>(4,892)</u></u>	<u><u>7,579</u></u>

The notes on pages 85 to 106 form part of these accounts.

# **SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

## **1. ACCOUNTING POLICIES**

### **1.1 BASIS OF ACCOUNTING**

The accounts have been prepared under the historical cost convention, modified by the valuation of Property, Plant and Equipment by reference to current costs, in accordance with the directions given by the Secretary of State for Digital, Culture, Media and Sport with the consent of HM Treasury in accordance with Section 35 of the National Lottery etc Act 1993 (as amended) and the consent of Welsh Ministers. A copy of the accounts direction can be obtained by request in writing to Sports Council of Wales (Sport Wales), Sophia Gardens, Cardiff, CF11 9SW. Without limiting the information given, the accounts are prepared in accordance with the 2020/21 Government Financial Reporting Manual (IFRS based FReM) IFRS issued by HM Treasury.

Separate accounts have been prepared for the activities funded from grant-in-aid, in accordance with the directions issued by the Welsh Ministers. There is no requirement for this account to be consolidated with Sport Wales's accounts.

The accounts have been prepared on a going concern basis. Sport Wales is required to account for long term grant commitments which fall due for payment in subsequent accounting periods, which are funded by future lottery proceeds.

### **1.2 INCOME FROM THE NATIONAL LOTTERY DISTRIBUTION FUND**

The distributing activities of Sport Wales's Lottery function are funded by allotted proceeds from the National Lottery. These are held in a fund administered by the Department for Digital, Culture, Media and Sport, and are available to be drawn-down into Sport Wales's Lottery bank accounts when needed.

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Digital, Culture,

Media and Sport. However, the share of such balances attributable to Sport Wales is shown in the accounts at market value and, at the Statement of Financial Position date, has been certified by the Secretary of State for Digital, Culture, Media and Sport as being available for distribution by Sport Wales in respect of current and future commitments.

The NLDF fund makes up the majority of the Income & Expenditure Reserve, with the remainder of the reserve balance being held within Sport Wales Lottery. Further detail can be seen in the Statement of Changes in Taxpayer's Equity table on page 84.

The balance held at 31 March 2021 at the NLDF, is unaudited as the audit of the Fund is incomplete. Any adjustment arising from that audit will be reflected in the 2021/22 accounts and is not expected to be material. The opening balance of the fund was not adjusted for 2019/20.

### **1.3 PROPERTY, PLANT AND EQUIPMENT**

Sport Wales capitalise any property, plant and equipment over £500 used exclusively in the administration of the Lottery function and the equipment is included in the statement of financial position at historic cost less a provision for depreciation. In the opinion of Sport Wales, there is no material difference between the historic and current cost net book value of these assets.

### **1.4 DEPRECIATION**

Depreciation is provided on a straight line basis on all property, plant and equipment having regard to their estimated useful lives and anticipated residual values. The average asset lives used for this purpose are as follows:

Equipment - Computers 3 years  
Equipment - Other 3 - 10 years

The policy of Sport Wales is to depreciate assets from the month following acquisition.

### **1.5 PENSION COSTS**

Sport Wales operates two pension schemes. Most staff are members of the Cardiff and Vale of Glamorgan Pension Fund. The Fund is a defined benefit scheme based on Career Average Re-Valued Earnings (CARE). The Fund's assets are held separately from those of Sport Wales. The other scheme is a defined contribution pension scheme with Scottish Widows. IAS19 requires an actuarially calculated figure (current and past service cost) to be charged to the Statement of Comprehensive Net Expenditure so as to spread the cost of pensions over employees' working lives with Sport Wales.

The apportionment of any pension liabilities or assets between Lottery and Sport Wales is based on the historic rate of apportionment of staff costs see 1.6.1. The pension fund deficit payments are allocated on the same proportion as the pension deficit allocation to the Lottery account. Further details in note 7.

### **1.6 ALLOCATION OF COSTS**

The apportionment of staffing and indirect costs transferred from Sport Wales to the Lottery account is calculated on the following basis:

#### **1.6.1**

Staff costs are recharged to Lottery according to the time they spend in carrying out Lottery activities. Where staff are identified as being employed 100% for Lottery purposes their costs are recharged in full. Where staff work, or provide a service to both lottery and exchequer schemes, their costs are recharged in proportion to the amount of time spent on Lottery work. Any redundancy costs paid during the year, remain in full within Sport Wales accounts and are not apportioned to Lottery.

#### **1.6.2**

Non staff costs are recharged either on the basis of the floor area occupied by Lottery staff, or where no floor area data is available or considered appropriate, costs are apportioned based upon total Lottery staff time expressed as a percentage of total staff time.

#### **1.6.3**

Council Members remuneration and travelling expenses are apportioned on a 50/50 basis.

### **1.7 POLICY FOR GRANT ACCRUALS**

Grant awards are accounted for as expenditure in the Statement of Comprehensive Net Income and, until paid, as a grant accrual in the Statement of Financial Position if they meet the definition of a liability, which is detailed within Note 3.

Grant awards which have been formally decided upon which do not meet the definition of a liability are not included in expenditure in the Statement of Comprehensive Net Income or as an accrual in the Statement of Financial Position; but are disclosed as a contingent grant liability in the Notes to the Accounts.

### **1.8 OTHER INCOME**

Relates to income generated from UK Sport for the use of Sport Wales's assets and facilities.

## **1.9 USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements requires Sport Wales to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:-

Note 1.6.1 Staff costs are recharged to Lottery according to the time they spend in carrying out Lottery activities, see note 1.6.1 for further details. Note 18 relates to pension costs apportioned to Lottery based on historic averaged apportionment of staff costs.

## **1.10 FINANCIAL INSTRUMENTS**

### **1.10.1**

#### **FINANCIAL ASSETS**

Trade receivables and other current assets do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### **1.10.2**

#### **FINANCIAL LIABILITIES**

Trade Payables and other current liabilities are not interest bearing and are stated at their nominal value.

## **1.11 SEGMENTAL REPORTING**

Sport Wales's management reporting for Lottery provides information relating to the distribution of Lottery grants. Sport Wales is of the opinion that the disclosure requirements of IFRS 8 Operating Segments, is not applicable to these Lottery Distribution Accounts. There is considered to be a single operating segment for the distribution of lottery funds.

## **1.12 NEWLY ISSUED ACCOUNTING STANDARDS NOT YET EFFECTIVE**

The application of any new or amended IFRS standards is governed by their adoption by the FReM. Sport Wales applies changes to standards when they become effective. There are no known material impacts from IFRS changes that have been issued and are not yet effective on the financial statements in the period of initial application.

Due to the Coronavirus pandemic, HM Treasury have agreed with the Financial Advisory Board (FRAB) to defer the implementation of IFRS16 Leases until 1 April 2022 for public sector financial reporting. Lottery accounts don't have any leases, so expect the impact to be immaterial based on current leasing arrangements.

IFRS 17 was published in May 2017 and is expected to replace the current financial reporting standard for insurance (IFRS 4) with effect from 1 January 2022. As these accounts have no insurance contract liabilities, there is no effect to the accounts.

## 2. GRANTS MET\* IN THE YEAR

Revenue Grants	2020/2021 £'000	2019 / 2020 £'000
Elite Cymru	7,761	3,140
Coach Cymru (merged into Elite Cymru Line)	-	2,772
National Performance (merged into Elite Cymru Line)	-	985
National Coaching (merged into Elite Cymru Line)	-	931
Disability Sport	552	552
Community Chest	214	1,689
Lottery Growth	247	312
Sport Resilience Fund / Be Active Wales Fund	3,456	-
Leadership	38	18
Note 3	<u>12,268</u>	<u>10,399</u>

Community Chest includes an amount of £61,397 (2019/20 £62,165) paid in respect of administration costs of local authorities who administer the grant scheme at local level.

Capital Grants	2020/2021 £'000	2019 / 2020 £'000
Capital	-	29
Development / Local Authority Grants	2,112	2,685
Calls for Action	78	91
Note 3	<u>2,190</u>	<u>2,805</u>

The grant figures in the notes above includes £261,647 direct expenditure incurred on behalf of grant recipients (£309,309 in 2019/20)

\*Grants paid out



### 3. GRANT ACCRUAL

	Capital £'000	Revenue £'000	2020/2021 Total £'000	2019/2020 Total £'000
Balance as at 1 April	327	112	439	10,578
Grant offers met in the year	(2,190)	(12,268)	(14,458)	(13,204)
Grant offers not taken up	(5)	(23)	(28)	(194)
Grant offers made in the year	2,114	12,238	14,352	3,259
Movement in year	(81)	(53)	(134)	(10,139)
Accruals balance as at 31 March	<u>246</u>	<u>59</u>	<u>305</u>	<u>439</u>
<b>Analysed as:</b>				
Amounts falling due within one year	217	59	276	373
Amounts falling due after one year	<u>29</u>	<u>-</u>	<u>29</u>	<u>66</u>
Analysis of expected timing of cash flows			2020/2021 Total £'000	2019/2020 Total £'000
Amounts due during 2020/21 Financial Year			-	373
Amounts due during 2021/22 Financial Year			276	66
Amounts due during 2022/23 Financial Year			29	-
Balance at 31 March 2021			<u>305</u>	<u>439</u>
			2020/2021 Total £'000	2019/2020 Total £'000
<b>Intra-government balances</b>				
Balances with other central government bodies			-	-
Balance with local authorities			48	52
			<u>48</u>	<u>52</u>
Balance with bodies external to government			257	387
			<u>305</u>	<u>439</u>

### GRANT ACCRUAL CONTINUED

Sport Wales will treat Grant awards as expenditure, and if unpaid as an accrual, if a constructive obligation to make payment exists. Grant awards that are free from any special conditions of grant become a constructive obligation when the formal offer of grant has been sent to the grant recipient.

Grant offers with special conditions attached become a constructive obligation when the applicant has complied with the special conditions incorporated into the contract. Awards that have been decided upon but have conditions of grant outstanding that have yet to be fulfilled will not give rise to a constructive obligation and will not give rise to a grant accrual; instead such awards will be disclosed by way of note as a contingent grant liability (see note 4).

Grant awards will be treated as a formal offer upon formal written notification to the intended recipient by means of an "offer letter". Oral or informal communication by staff which is stated to be non-binding by Sport Wales will not be treated as a formal offer of grant.

### 4. CONTINGENT GRANT LIABILITIES

	2020/2021 £'000	2019 / 2020 £'000
Grant Liability	356	471
	<u>356</u>	<u>471</u>

Sport Wales will not treat any of the following conditions as being under their control:

- The requirement to obtain planning permission or any other regulatory approval;
- The requirement to obtain match funding from other sources;
- A general condition relating to the availability of lottery funds.

As part of the Sport Wales strategy, a new investment model was being developed in readiness for funding decisions from 2020/21. Therefore 2019/20 was a transition year for funding decisions, so Sport Wales opted to extend the 2018/19 funding offers by 12 months to allow time to work with partners during the transition year. The extension grant offer was based on the 2018/19 offer letter amounts, with the revised offer letters being issued during the 2018/19 financial year. Consequently, the 2019/20 offers were included as offers made in the 2018/19 accounts.

The new funding model is due to take effect for the 2021/22 financial year. Therefore, 12 month offer letters for the financial year 2020/21 were issued from April 2020.

## 5. CAPITAL COMMITMENTS

At 31 March 2021, the Lottery account had no contractual commitments for Capital and Property, Plant and Equipment (2019/2020 Nil).

## 6. TAXATION PAYABLE

	2020/2021 £'000	2019 / 2020 £'000
Tax payable on interest received at 19% (2019/2020 - 19%)	-	1

## 7. STAFF NUMBERS AND RELATED COSTS

The staff costs figure shown in the Net Expenditure Account is an apportionment of costs incurred by Sport Wales and is arrived at as follows:

	Average No. of full time equivalent staff involved		2020/2021	2019 / 2020
	2020/21	2019/20	£'000	£'000
<b>Gross salary costs</b>				
Chair L Conway*	0.20	0.20	18	18
Chief Executive S Powell	0.25	0.25	24	24
Other Staff**	51.62	50.03	2,774	2,658
			<u>2,816</u>	<u>2,700</u>
Salaries and wages			2,066	1,918
Social Security costs			216	205
Other Pension costs			687	620
IAS19 Adjustments			(153)	(43)
			<u>2,816</u>	<u>2,700</u>

\* The average number of staff employed are all permanent contract staff. The Chair is appointed to work 2 days per week and spends 50 per cent of that time on lottery activities.

\*\* Includes Brian Davies FTE for the three months as acting CEO and nine months as Director.

Other Pension costs totalling £687,000, include a lump sum contribution of £159,000 towards the net pension liability (2019/20 £235,250). The remainder is the employer pension cost allocated to lottery based on individual employee time apportionment to lottery work.

IAS19 Employee Benefits requires an actuarially calculated figure (current and past service cost) to be charged to the Statement of Comprehensive Net Expenditure (SoCNE). For 2020/21, the actual employer's contribution was (£530,000) (25% of £2,120,000). The lottery apportioned current and past service cost for 2020/21 totalled £377,500 (25% of £1,510,000) which must replace the actual employer's pension costs included in the SoCNE.

Therefore the net effect was (£152,500) to staff costs after deducting employer's contribution. As current service cost is a notional entry, this is reversed in the Statement of Changes in Taxpayers' Equity so that Lottery balances are only charged with

Staff costs are further analysed as follows:

	2020/2021 £'000	2019 / 2020 £'000
Administration	1,143	1,194
Sports Science Support to Athletes	1,673	1,506
	<u>2,816</u>	<u>2,700</u>

the cost of employer's pension contributions. Further details can be found in note 18.

The net obligation in respect of these defined benefit pensions plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair values of plan assets are deducted. Actuarial gains and losses that arise are recognised in the period they occur through Other Comprehensive Net Expenditure.

Redundancy costs for the year have been met in full by and reflected in the accounts for the Sports Council for Wales. There are no redundancy costs included in these financial statements.

## 8. OTHER OPERATING COSTS AND OTHER INCOME

COSTS	2020/21	2019/20
	£'000	£'000
Direct Costs	240	231
Accommodation	58	67
Consultancy	-	5
Audit Fee	21	21
Recharges for Sport Wales Services	131	157
	<u>450</u>	<u>481</u>
<b>INCOME</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
UK Sport Grant	245	193
	<u>245</u>	<u>193</u>

## 9. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Total
	£'000	£'000
Cost or Valuation at 1 April 2020	489	489
Additions	35	35
Disposals	(16)	(16)
At 31 March 2021	<u>508</u>	<u>508</u>
Depreciation at 1 April 2020	(356)	(356)
Charge for the year	(38)	(38)
Disposals	16	16
At 31 March 2021	<u>(378)</u>	<u>(378)</u>
<b>Net Book Value at 31 March 2021</b>	<u>130</u>	<u>130</u>
Net Book Value at 31 March 2020	<u>133</u>	<u>133</u>

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Equipment £'000	Total £'000
Cost or Valuation at 1 April 2019	479	479
Additions	10	10
Disposals	-	-
At 31 March 2020	<u>489</u>	<u>489</u>
Depreciation at 1 April 2019	(316)	(316)
Charge for the year	(40)	(40)
Disposals	-	-
At 31 March 2020	<u>(356)</u>	<u>(356)</u>
<b>Net Book Value at 31 March 2020</b>	<u><u>133</u></u>	<u><u>133</u></u>
Net Book Value at 31 March 2019	<u><u>163</u></u>	<u><u>163</u></u>

## 10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	31 March 2021 £'000	31 March 2020 £'000
<b>Due within 1 Year</b>		
Other receivables	<u>14</u>	<u>25</u>
<b>Due within more than 1 Year</b>		
Other receivables and prepayments	<u>-</u>	<u>-</u>
	<u><u>14</u></u>	<u><u>25</u></u>

## 11. NATIONAL LOTTERY DISTRIBUTION FUND

	Balances held in NLDF £'000
Balance at 1 April 2019	14,665
<b>Changes in Taxpayers' Equity 2019/20</b>	
Income from the National Lottery	16,133
Drawn down in year by Sport Wales	(15,700)
Investment Returns	77
Other Operating Income	-
Recoveries of grants	-
Expenditure in year	(148)
Pension Cost	-
<b>Balance as at 31 March 2020</b>	<u>15,027</u>
<b>Changes in Taxpayers' Equity 2020/21</b>	
Income from the National Lottery	16,488
Drawn down in year by Sport Wales	(18,550)
Investment Returns	10
Other Operating Income	-
Recoveries of grants	-
Expenditure in year	(164)
Pension Cost	-
<b>Balance as at 31 March 2021</b>	<u>12,811</u>

The above balances agree to the National Lottery Distribution Fund (NLDF) statement issued by the Department for Digital, Culture, Media and Sport (DCMS).



## 12. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31 March 2021	31 March 2020
	<b>£'000</b>	<b>£'000</b>
Sport Wales	2,214	1,667
Accruals	21	22
	<u>2,235</u>	<u>1,689</u>

## 13. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	2020/2021	2019/2020
	<b>£'000</b>	<b>£'000</b>
As at 1 April	450	198
Net change in cash and cash equivalent balances	1,606	252
As at 31 March	<u>2,056</u>	<u>450</u>

All cash is held in commercial bank accounts.

## 14. CONTINGENT LIABILITIES

With the exception of contingent grant liabilities, disclosed in Note 4, there were no other contingent liabilities at 31 March 2020 and 31 March 2021 requiring disclosure.



## **15. CONTINGENT ASSETS**

Government has a profit-sharing agreement with the Greater London Authority (GLA). The agreement entitles the National Lottery to up to £675m - the amount it contributed towards the cost of hosting the London 2012 Games. Money received as part of this profit-sharing agreement will be returned to the National Lottery. Repayment of this money is dependent on land sales and how proceeds will be apportioned as set out in the 2012 agreement with the GLA.

## **16. FINANCIAL INSTRUMENTS**

International Financial Reporting Standard 7: Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks Sport Wales's Lottery function faces in undertaking its role.

### **LIQUIDITY RISKS**

In 2020/21, £16,488,000 or 98.5% of income derived from the National Lottery (2019/20 £16,133,000 or 98.2%). Of the remaining income, £9,550 or 0.1%, derived from investment returns from the balance held with the National Lottery Distribution Fund, (2019/20 £77,000 or 0.5%), and £247,000 or 1.5% from sundry income (2019/20 £213,000 or 1.3%). Sport Wales does not consider that its Lottery fund is exposed to any significant liquidity risk, and are satisfied that the balance within the NLDF and projected future Lottery proceeds are sufficient to meet its hard commitments.

### **INTEREST RATE RISKS**

The financial assets of the Lottery are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. Sport Wales has

no control over the investment of Funds in the National Lottery Distribution Fund. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in an instant access variable rate bank account which on average carried an interest rate of 0.50% (2019/20 0.50%) in the year. The cash balance at the year-end was £2,056,000 (2019/20 £450,000). Sport Wales considers that its Lottery function is not exposed to significant interest rate risks.

### **FOREIGN CURRENCY RISK**

The Lottery function of Sport Wales is not exposed to any foreign exchange risks.

## **17. RELATED PARTY TRANSACTIONS**

### **PUBLIC BODIES**

The Lottery operations of Sport Wales are funded from the National Lottery Fund through the Department for Digital, Culture, Media and Sport. The Department is regarded as a related party.

### **INDIVIDUALS**

Lottery paid grants during the year to a number of organisations in which members and senior staff declared an interest and which are considered material are shown below. Any declaration of interest for items discussed in meetings must be declared by the individual, who will withdraw for that section of the meeting.

Member's Panel	Body	Grant Payment in Year £000	Nature of link	Commitments not yet met £000
P Britton Council Member	Welsh Orienteering Association	2	Brother Committee Member	-
I Bancroft Council Member	Wrexham County Borough Council	16	CEO	-
P Tilley Council Member	Welsh Triathlon Association	247	Member	-
P Tilley Council Member	Monmouthshire County Council	22	Member of Community Chest Panel	-
P Tilley Council Member	Newport Live	55	Trustee & Board Member	-
P Tilley Council Member	All Afloat	4	Trustee	-
P Tilley Council Member	Welsh Rowing Association	300	Wife Member	-
P Tilley Council Member	Llandegfedd Sailing Club	2	Honorary Member	-
M Veale JP Council Member	Pembrokeshire County Council	19	Lay member of Audit Committee	22
M Veale JP Council Member	Merthyr Tydfil County Borough Council	72	Lay member of Standards Committee	-
M Veale JP Council Member	Blaenau Gwent County Borough Council	2	Audit Committee member	-
S Powell CEO	Swansea Hockey Club	2	Member	2
B Davies OBE Corporate Director / Acting CEO	Welsh Gymnastics	879	Spouse Coach	-
B Davies OBE Corporate Director / Acting CEO	Commonwealth Games Council for Wales	195	Sport Wales Representative on CGW Board	-
B Davies OBE Corporate Director / Acting CEO	Gwent Hockey Club	2	Daughter Member	1

Member's Panel	Body	Grant Payment in Year £000	Nature of link	Commitments not yet met £000
G Williams Corporate Director	Welsh Netball	402	Children -Members	-
S Morgan Manager, Plas Menai	URDD	381	Non-Exec Board member – Sport & Apprenticeship Programme	-
C Nowell Assistant Director, Sport Wales National Centre	Croesyceiliog Athletic F C	1	Committee Member & Coach. Son also plays for U15's	-

Remuneration of Senior Managers and Council Members:

Senior Managers and Council Members are considered to be the Directors and their remuneration is disclosed within the Remuneration and Staff Reports on pages 68 to 75.

### 18. PENSIONS

The following pension disclosures have been prepared in accordance with IAS19 'Employee benefits'.

Pension data contained within this disclosure have been provided by the Sport Wales's independent actuary, AON Hewitt. The IAS19 valuation provided by the actuary is for Sport Wales as a whole; no separate valuations have been obtained for the Sport Council for Wales Consolidated financial statements and the Lottery financial statements, and hence the data below is disclosed as gross.

The pension fund deficit along with the associated entries which impact the Statement of Comprehensive Net Expenditure, Statement of Financial Position and Statement of Changes in Taxpayers Equity have been apportioned between the Sports Council of Wales Consolidated financial statements and the Lottery financial statements in a ratio based on the historic apportionment of staff costs to the Lottery account per note 1.5. For 2020/21 this is Lottery Accounts 25% and Sports Council for Wales Consolidated Accounts 75%.

Sport Wales made a total pension contribution in 2020/21 of £2,120,000 (2019/20 £2,000,000) which is analysed as follows:

- Employers Pension contributions £1,325,000 representing 32.8% of pensionable pay (2019/20 £1,059,000 24.2%)
- There were £159,000 advanced contributions in respect of early retirement cost during 2020/21 (2019/20 nil)
- Lump Sum Contribution of £636,000 (25% of which was met by Lottery), (2019/20 £941,000 of which 25% was met by Lottery)

The rate of employer's pension contributions from 2020/21 is 32.8%. This has been set as a result of the last triennial valuation of the scheme which was carried out as at 31 March 2019. The actuary's report has been prepared in accordance with Guidance Note GN9 issued by the Institute and Faculty of Actuaries, current at the valuation date, to the extent that it applies to the Local Government Pension Scheme. Sport Wales expects to contribute £2,090,000 to the fund in 2021/22, which includes a contribution towards the pension deficit of £716,000. In addition to this "strain on fund" contributions may be required as well.



The full pension cost to Sports Council of Wales is £300,000 of which £225,000 (2019/20 £218,000) is allocated to the consolidated accounts, with the remainder of £75,000 (2019/20 £73,000) allocated to Lottery.

The full actuarial loss on pension to Sports Council of Wales is £6,770,000 of which £5,077,000 (2019/20 loss of £773,000) is allocated to the consolidated accounts, with the remainder of £1,693,000 (2019/20 loss of £258,000) allocated to Lottery.

The full pension liability to Sports Council of Wales is £20,490,000, of which £15,598,000 (2019/20 £10,754,000) is allocated to the consolidated accounts, with the remainder of £4,892,000 (2019/20 £3,277,000) allocated to Lottery.

The Lottery pension liability is adjusted by £231,000 to accommodate the net impact of historic changes in apportionment of staff costs to the Lottery account with the offset £231,000 allocated to the pension liability in the Sports Council for Wales consolidated accounts.



## MAIN FINANCIAL ASSUMPTIONS

	31 March 2021 %	31 March 2020 %	31 March 2019 %
Discount Rate	2.1	2.3	2.4
Inflation - CPI	2.7	1.9	2.2
Rate of increase to pensions in payment	2.7	1.9	2.2
Rate of increase to deferred pensions	2.7	1.9	2.2
Rate of general increase in salaries	3.7	2.9	3.2
<b>Mortality Assumptions:</b>	<b>Years</b>	<b>Years</b>	<b>Years</b>
Future lifetime from age 65 (aged 65 at accounting date)			
- Male	22.3	22.2	22.4
- Female	24.7	24.6	24.8
Future lifetime from age 65 (aged 45 at accounting date)			
- Male	23.3	23.2	23
- Female	26.1	26	25.9

Sport Wales employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

The overall expected rate of return on assets is derived by aggregating the expected rate of return for each asset class over the actual allocation for the Fund at 31 March 2021.

**ANALYSIS OF MOVEMENTS IN SURPLUS (DEFICIT) DURING THE YEAR**

	31 March 2021 £m	31 March 2020 £m
Fair value of fund assets	54.14	44.37
Present value of liabilities	74.63	(58.40)
(Deficit) in scheme at end of year	(20.49)	(14.03)

**ANALYSIS OF AMOUNT CHARGED TO OPERATING COSTS**

	31 March 2021 £m	31 March 2020 £m
Current service cost	1.35	1.57
Past service cost	0.16	0.26
Interest cost	0.30	0.29
Expense recognised	1.81	2.12

**REMEASUREMENT OF AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE EXPENDITURE**

	31 March 2021 £m	31 March 2020 £m
Return on plan assets (in excess of)/below that recognised in net interest	(7.54)	5.10
Actuarial losses/(gains) due to change in financial assumptions	14.89	(2.52)
Actuarial (gains) due to change in demographic assumptions	0.00	(0.79)
Actuarial (gains) due to liability experience	(0.58)	(0.76)
Total amount recognised in Other Comprehensive Expenditure	6.77	1.03
Total amount recognised	8.58	3.15



**CHANGES TO THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION DURING THE ACCOUNTING PERIOD**

	31 March 2021 £m	31 March 2020 £m
Opening defined benefit obligation	58.40	59.97
Current service cost	1.35	1.57
Interest expense on defined pension obligation	1.33	1.43
Contributions by participants	0.28	0.31
Actuarial losses/(gains) on liabilities- financial assumptions	14.89	(2.52)
Actuarial (gains) on liabilities - demographic assumptions	0.00	(0.79)
Actuarial (gains) on liabilities - experience	(0.58)	(0.76)
Net benefits paid out	(1.20)	(1.07)
Past service cost (including curtailments)	0.16	0.26
Closing defined benefit obligation	74.63	58.40



### CHANGES TO THE FAIR VALUE OF ASSETS DURING THE YEAR

	31 March 2021 £m	31 March 2020 £m
Opening fair value of assets	44.37	47.09
Interest income on assets	1.03	1.14
Remeasurement gain/(loss) on assets	7.54	(5.10)
Contributions by the employer	2.12	2.00
Contributions by participants	0.28	0.31
Net benefits paid out	(1.20)	(1.07)
Closing fair value of assets	54.14	44.37

### ACTUAL RETURN ON ASSETS

	31 March 2021 £m	31 March 2020 £m
Expected return on assets	1.03	1.14
Actuarial gain/(loss) on assets	7.54	(5.10)
Actual return on assets	8.57	(3.96)



### HISTORY OF ASSET VALUES, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AND DEFICIT

	31 March 2021 £m	31 March 2020 £m	31 March 2019 £m	31 March 2018 £m	31 March 2017 £m	31 March 2016 £m
Fair value of assets	54.14	44.37	47.09	42.87	40.34	31.35
Present value of defined benefit obligation	(74.63)	(58.40)	(59.97)	(56.52)	(53.03)	(41.36)
(Deficit)	(20.49)	(14.03)	(12.88)	(13.65)	(12.69)	(10.01)

### SENSITIVITY ANALYSIS

Funded Defined Benefit Obligation £74.63m	+0.1% p.a		-0.1% p.a	
Change in Assumptions on Present value of the funded defined benefit obligations	£m	% Increase / Decrease to Employee Liability		£m
Adjustment to Discount rate	72.99	-2.2%	2.3%	76.35
Adjustment to Salary Increase rate	74.85	0.3%	-0.3%	74.41
Adjustment to Pension Increase rate	76.12	2.0%	-1.9%	73.21
		-1 year		+1 year
Adjustment to Mortality rate	77.39	3.7%	-3.6%	71.94

### 19. EVENTS AFTER THE REPORTING PERIOD

The accounts were authorised for issue by the Accounting Officer on the date they were certified by the Comptroller and Auditor General.





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