

Date: 26 March 2003
Time: 9.00 – 12.30
Venue: National Assembly for Wales

**Quinquennial Review of the Sports Council for
Wales. Stage II Report (Draft)**

Date: March 2003



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Acknowledgement

We would like to thank the Chair and Council members of the Sports Council for Wales, the Chief Executive and his Senior Management Team, and all the employees who have taken part in the second stage of this review. We would also like to thank those elite athletes and sport governing bodies that have made further contributions. The atmosphere of openness that we experienced in Stage I of the review has been replicated in completing our further enquiries for the Stage II report. We thank those other sports councils that have been helpful in assisting our research.

The close interest taken in this work by the sponsor Directorate of the Welsh Assembly Government has been very helpful, as has the active participation of all the steering group members.

1. Executive Summary

1.1 The scope of Stage II of the Quinquennial Review is fully laid out in section 2. In summary this report covers issues of strategic effectiveness and efficiency of the Sports Council for Wales and the issues relating to its governance.

1.2 It is important to state that we have carried out this review against a background of the existing strategy and remit of the Council. As a result of recommendations made in Stage I of this report, and of strategic planning currently being carried out by the Directorate of Culture, Sport and the Welsh Language, it is likely that this background may change significantly. In particular it is possible that some issues such as health in relation to sport may become more significant. It is also possible that priorities for funding of individual sports may change. Any changes to the status or operations of the two national centres could also be significant (for example, the administrative workload could change significantly). Over and above the immediate findings of this report, therefore, we are also recommending that an organisational review of the Council takes place once any revised strategic priorities and plans for changes in the national centres are put in place.

1.3 In summary we conclude that the Council:

- ❑ Is well led in relation to established agendas but slow in responding to change;
- ❑ Has been an effective lottery distributor and developer of elite athletes;
- ❑ Needs to concentrate much more on advocacy and relationship management with a wide range of stakeholders;
- ❑ Needs to re-evaluate priorities for delivery of objectives;
- ❑ Needs to review, document and communicate priorities for funding of sports; and
- ❑ Needs to significantly improve its planning processes and provide a better supported case for funding.

Strategy and Planning

1.4 Strategy of the Council will need to be reviewed in the light of the strategic priorities currently being worked on by the sponsoring Directorate of the Welsh Assembly Government. The draft implementation plan at the end of this section reiterates the Stage I recommendation that the sponsoring Directorate needs to lead on key parts of a sports strategy for Wales, while Stage II recommendations highlight particular areas that will need to be reassessed in the Council's strategy, such as health issues, sports funding prioritisation and support for Communities First areas.

1.5 We conclude that the Council's Corporate and Operational Plans are not effective in delivering a clear view of its priorities and how it proposes to meet them, and that the benefits to be derived from its activities are notably undersold. Significant repetition masks the underlying theme of plans and, particularly in relation to a changing strategy, it is vital that planning processes are overhauled. It is equally important that closer, more effective working arrangements are established with the sponsoring Directorate.

The Content of the Council's Work

1.6 The governing bodies of amateur sports in Wales generally rate highly the support they receive from the Council and strongly support the programme for elite athletes, with only minor concerns. However, across a range of stakeholders we have found concern over the effectiveness of the advocacy role carried out. This is reinforced by a perception that the Council has not been successful, in comparison with other sports councils, in achieving wide recognition of the value of sport and in building relationships with key non-sporting stakeholders and, as a result has had less success in tapping into wider funding and

investment opportunities. There is a need for significant improvement in the planning and management of advocacy activities.

1.7 A related issue is the mixed success in maintaining effective relations with all the stakeholder groups. This is an issue that receives little focus within Council agendas and discussions, despite the obvious strategic importance of the matter. In particular professional sports and the higher education sector tend not to view the Council as a significant player and relationships with Welsh local authorities are mixed.

1.8 There are particular areas of underdevelopment of work that would certainly add to these perceptions. There is currently no education and training strategy for the sport and leisure section in Wales covering a range of participants from volunteers to professional sport. The involvement of the Council in health matters is also less than many stakeholders expect. Despite initial positive action by the Council, it is apparent that limited progress has been made and that the emerging relationships with the health sector evident in both Scotland and England are not yet in place.

1.9 The promotion of elite sport, through Elite Cymru in particular, has been notably successful. The most noteworthy achievement is perhaps in the fact that Wales was placed 4th in terms of medals per capita in the Commonwealth Games 2002.

1.10 In Stage 1 of the report we identified that there remained a need for the functions delivered at Plas Menai but that alternative mechanisms that could deliver sources of funding and take on management responsibilities should be explored. With respect to WIS we concluded that there remained a need for the Welsh Institute of Sport to provide sporting facilities that specifically provide for, and focus on, the needs of elite athletes and Governing Bodies of Sport. We recommended that the objectives, priority sports and functions of the centre should be clarified and clear outcomes identified. Redevelopment and refurbishment of the existing facilities at WIS is the preferred short term approach. Longer term solutions should be based on priority sports identified, examine other sites in Wales as well as the existing site, and explore the option of an independent company for future ownership and management, potentially involving key Governing Bodies of Sport.

1.11 In this second stage of the review we have considered the efficiency and effectiveness of the Centres against existing operational objectives. We conclude that the national centres at WIS and Plas Menai are well run against their current briefs with only minor issues of concern arising.

Development Activities

1.12 The Council currently applies priorities to the funding of sports in Wales but this is not based on a publicised policy. A review of alternative approaches shows the value of prioritisation in the medium term against clear criteria that can be understood by the sports governing bodies. An important outcome would be the creation of an easily communicable policy with clear goals. The Council has started to look at this issue.

1.13 National development staff are generally valued by sport governing bodies but they have concerns about staff retention by the Council and there are initial training issues that need addressing. Regional staff of the local development service are considered effective and well informed and have been effective in delivering and supporting a number of significant programmes. The development of Dragon Sport in schools and of Disability Sport and the Women and Girls programmes are good examples of their efforts. However, there are real issues about priorities, workload and skills of these groups of staff that need to be addressed. We recommend that improved regional work plans are developed to address this need.

Grants Administration

1.14 The rules for SPORTLOT operations and the awarding committee structures in place ensure that financial propriety is observed. Positive action has been taken to streamline community revenue funding and to avoid applicants spending time on projects that are unlikely to meet scheme criteria. The quality of administration has generally been high and the development of the Community Chest puts the Council at the leading edge of enabling local decision making on modest grant funding. Nevertheless scope exists to reduce the level of scheme detail, for capital projects in particular, and to make more use of delegation within the committee structures. Time spent on grant administration and evaluation is a key issue for local development staff and consideration should be given to alternative approaches to evaluation. The Council should undertake further consultation with partners to identify how concerns related to transparency of decision making can be addressed.

Central Services

1.15 In a number of areas we consider that there is a lack of clarity around priorities and, as a result, it is difficult to assess both the value of what is achieved and whether the services represent value for money. We therefore recommend the in-depth review of HR, registry and records, research and evaluation, information services and secretarial services.

1.16 ICT services are effective and likely to be stretched in implementing the new corporate-wide GIFTS information system.

1.17 The Council should review the requirement for two non-operational directors to report to the Chief Executive and the mix of skills required for the management of this area.

Performance Measures and Meeting the Priorities of the National Assembly for Wales

1.18 We consider that high level performance indicators and the related data gathering procedures are not adequate to present a rounded picture of corporate performance and the Council's achievement against key objectives. Also, bearing in mind the recent level of achievement, some indicators are not set at sufficiently challenging levels. We propose ways in which the Council can review this area.

1.19 The Council has a good record of meeting specific high level targets within its remit as specified in the Minister's remit letter. However, the record on maintaining effective partnerships with all stakeholder bodies, and especially the sponsoring Directorate, reveals a much more mixed level of success as reflected in 1.3 and 1.4 above. Also we conclude that the success levels on the education and lifelong learning agenda are good in parts – principally in school education. However, there is no defined role in relation to higher education and adult education even if these are not to be significant beneficiaries of Council funding. We conclude that the Council is good at meeting hard targets but much less successful at meeting equally important soft targets.

Governance

1.20 The strategic role of the Council needs to cover the maintenance of strategic relationships and support for the advocacy role. Its work could be more effectively focused in the form and presentation of papers at meetings.

1.21 Much recent good work has been done to put the Audit Committee on a best practice route. Good progress has been made on risk assessment and its links to the internal audit programme. However, the Remuneration Committee only considers structural changes to pay schemes. It should also consider and report to Council on senior management pay and implications of annual pay awards on at least an annual basis.

1.22 Internal audit work concludes that the Council's systems operate in a satisfactory manner but identifies a number of breaches in the Financial Memorandum with the Assembly that the Council has taken action to avoid in the future.

1.23 In the Stage I report we noted the build up in the level of the lottery distribution fund to a level in excess of three times annual income at the end of 2001/2. We have reviewed this and consider that it is the inevitable result of building up a pipeline of good quality capital schemes, not the result of poor administration. Significant reductions in the balance are planned in the next two years.

1.24 The Council lacks an efficiency framework to prompt a regular review of value for money. Evaluation reviews focus on achievement of the planned outputs of initiatives but this does not pick up cost effectiveness issues in a major way. We recommend that such a framework is put in place.

1.25 The Council is meeting its legal requirements in respect of the Welsh Language Act but should now be more ambitious in pursuit of extending the role of Welsh in the delivery of its services.

1.26 In Stage I we undertook to provide a draft implementation plan based on all the recommendations in both stages of the report, subject to the consideration of these by the Culture Committee and the Minister. This is attached at Appendix E. In the light of the nature and number of recommendations we would recommend that the Council gives consideration to the appointment of a project manager to coordinate the work that would be required.

1.27 In the form of an implementation plan the following tables summarise the recommendations from both Stage I and Stage II of this project.

Sports Council for Wales. Quinquennial Review – Draft Implementation Plan

Stage I Recommendations – Strategic and Planning

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
An independent national sport body for Wales should be retained to cover both sports development programmes and SPORTLOT funds distribution. It must also demonstrate its ability to pull together and effectively represent all the sports interests in Wales.	Stage 1 8.15	High – no specific action				
The Welsh Assembly Government and the Independent Body should work closely together to develop operational and funding regimes that allow a full strategy for sport in Wales to be delivered. The Arts Lottery and Sport Division should take the leading role in setting the strategic guidelines and in coordinating and monitoring programmes where cross-departmental cooperation and commitment to joint goals is critical to success and sport is a significant element in their delivery.	Stage 1 8.15	High	Culture, Sport & Welsh Language Directorate Council	ASAP	Q1 2003/4	Needed for 2004/5 Corporate Plan
The Council should: <ul style="list-style-type: none"> ❑ fulfil a strategic planning role for sport, but this should be set within a wider strategic context, as outlined above ❑ contribute to the development of ambitious and innovative goals, proposals, major events and projects for sport within Wales. 	Stage 1 6.51	High	Council	Q1 2003/4	Ongoing	Derived from sponsor Dir work
The Council should critically appraise the need for it to develop new participation programmes and initiatives in the future against the principles of encouraging self reliance, subsidiarity and the Council as the programme developer or deliverer of last resort.	Stage 1 6.51	Medium	Local Development (Council)	Ongoing	Ongoing	
The Council should continue to both distribute funding and support the applicant process.	Stage 1 6.51	High	Council	Ongoing	Ongoing	

Stage I Recommendations – Relationships

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The Council should review the effectiveness of its relationships and communication with the new Assembly department and Ministers.	Stage 1 6.51	High	Council/Chief Executive	ASAP	Ongoing	See Stage II Actions below

Stage I Recommendations – Operational

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The facilities provided at WIS should be sustained until longer term needs and market capabilities are confirmed following recommendations in 7.75 (see below).	Stage 1 7.18	Medium	Council	Ongoing	Ongoing	
<p>Recommendations for Welsh Institute of Sport (WIS)</p> <ol style="list-style-type: none"> 1. The objectives of WIS as a national centre should be confirmed and the expected outcomes clarified. The priority functions to be provided at WIS should be to provide facilities and support to Governing Bodies of Sport and facilities and services to meet the needs of elite athletes. 2. The option of focusing use at the national centre to a smaller number of priority governing bodies and activities should be examined linked to the review of priorities and focus of the Council as a whole. 3. Further work should be undertaken, integral to the investment case, to clarify the essential sporting facilities, administration and office requirements and accommodation. This should be linked to clarification of the priority users and functions of the centre and should enable some facilities to be rationalised and some improved. 4. The future options, integral to the investment case, should seek to maintain those services provided as part of UKSI Cymru as an 	Stage 1 7.75	High	Council	Q2 2003/4	Q4 2003/4	Tackling the Trust issues are more pressing than developing the long term strategy

integrated service at the national centre.						
Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
<p>WIS recommendations continued....</p> <p>5. Maintaining the office space for the Council at WIS should be included only if it complements the primary uses, is cost effective and takes account of the decision taken with respect to the preferred approach to ownership and management of the facility. This should be examined as part of recommendation 4.</p> <p>6. The strategy for supporting sports governing bodies into the future and for sourcing events facilities needs to be decided by the Sports Council in conjunction with the Welsh Assembly Government before a preferred long term solution can be pursued.</p> <p>With respect to the ownership and management options we recommend that:</p> <p>7. The legal and financial implications of removing WIS from the Sports Council for Wales Trust must be examined with the Charities Commission. It must be ascertained that assets can be returned from the Trust into the public domain.</p> <p>8. The advantages and disadvantages of establishing an independent company should be examined further.</p> <p>9. A planned approach to reducing the dependency of the Governing Bodies on the Council and increasing their involvement in ownership and management of the centres should be developed to accompany any investment strategy.</p>	Stage 1 7.75	High	Council	ASAP	Q4 2003/4	This must be done prior to any key decisions on national centres
Plas Menai should be retained as a valuable watersports facility for Wales and the UK subject to recommendations in 7.108.(See below)	Stage 1 7.83	Medium	Council	Ongoing	Ongoing	

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
<p>Three possible approaches to the future ownership and management of Plas Menai should be explored. These are not all mutually exclusive:</p> <ul style="list-style-type: none"> ❑ Explore the setting up of an independent company that would be able to seek commercial funding to support future developments. ❑ Sell the centre to a commercial operator against a service agreement aimed at ensuring that it will continue its role as a national centre. ❑ If management capability of the Welsh Yachting Association were boosted by a transfer of management staff from the Council, it is possible that they could undertake future running of the centre. 	Stage 1 7.108	Low	Council	Q4 2003/4	Q2 2004/5	

The following recommendations from stage one are incorporated within stage two actions below:

The Council should place a greater emphasis on education and training, including the recruitment, retention and training of both volunteers and professionals, to support amateur sport and the wider leisure industry.	Stage 1 6.51					See Stage II Actions below
The Council should continue to identify the critical areas where advice and assistance is needed by sports providers to address inequalities in sport and to encourage good practice among sports participants and leaders.	Stage 1 6.51					See Stage II Actions below
The Council should give a higher priority to its research and evaluation programme, in particular collecting the evidence base necessary to demonstrate the impact of sport, and take a more proactive role in sharing evidence and good practice.	Stage 1 6.51					See Stage II Actions below

Stage II Recommendations – Strategic and Planning

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
Following completion of a revised strategy for sport in Wales, it is essential that the strategy of the Council is revisited and that the resource and organisation structure needed to deliver the services required are reviewed.	Stage II 3.149	High	Council	Q2 2003/4	Q4 2003/4	
The Council revisits, in discussion with Assembly Officials (Health and Sport) and other key agencies its role and objectives related to health. This should include to: <ul style="list-style-type: none"> <input type="checkbox"/> consider broadening the Council's participation objective to reflect that increased levels of participation are sought to have a positive impact on the health and well being of the people of Wales. <input type="checkbox"/> clarify the Council's role with respect to promoting physical activity, as opposed to just sport. <input type="checkbox"/> revisit the Health and Active Lifestyles Task Force action plan and clarify expectations and roles for the future. 	Stage II 3.28	High	Health Promotion Directorate Culture, Sport & Welsh Language Directorate Council	ASAP	Q1 2003/4	Key issue for Corporate Plan
That the Assembly and the Council review the merits of prioritising a few sports/Governing Bodies to receive increased levels of funding and support for a fixed period of time, with a clear growth strategy and specific outcomes and targets to be achieved over the short term (e.g.4 years) and longer term (e.g.10+years). This should require commitment to contributing to increasing participation, talent identification and development and achieving elite success. Priority should be given to seeking increased investment in the prioritised sports from the Council's existing resources and through advocating the benefits of additional investment to the Assembly and other partners.	Stage II 3.67	High	Council/National Development (Council)	Q2 2003/4	Q4 2003/4	Response to criteria indicated by sponsor Directorate
The Council should confirm the priority Communities First areas that it will work with over the next 2-3 years and the Assembly should seek to work with the Council to facilitate improved cross sector	Stage II 3.115	High	Council/National Development (Council)	Q2 2003/4	Q4 2003/4	Response to criteria indicated

working and investment in sport in these areas.						by sponsor Directorate
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Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The Corporate Plan process should be revised to reduce repetition and work from a confirmation of strategic purposes stated in more detail elsewhere. More explanation is needed on the links between projects and strategic objectives and on the benefits to accrue from investment. In particular it should illustrate the level of funding, staffing and outcomes in relation to each one. It should state the impact of efficiency and work volume growth on existing workload and be very specific about the purpose, outcomes and priorities of new activities. All new activities should demonstrate the overall impact on costs and revenues, whether of a capital or current nature.	Stage II 5.36	High	Council	ASAP	Q1 2003/4	New format needed for 2004/5 three year plan. This target is essential to meet normal publication date (June)
The Council should refine the strategic participation indicators and examine whether alternative measures for excellence could provide a better overall picture of performance. Further work should be undertaken to identify a clear set of outcome focused performance measures for each programme and grant stream, supported by a costed methodology. This will need to be an integrated part of a revised research and evaluation strategy. A new set of measures for reporting on corporate performance should be developed.	Stage II 3.10	Medium	Council	Q1 2003/4	Q4 2003/4	2004/5 Corporate Plan should include initial changes. Further time needed for full consideration
The annual review of performance should take into account the current circumstances and successes, consider the ongoing value of the measure being used and where appropriate set more challenging targets for the future.	Stage II 3.11	Medium	Council	Q3 2003/4	Q1 2004/5	Focus should be on review of 2004/5
The Operational Plan should be revised to include only the bare	Stage II	High	Council	Q2	Q3	Timing

essentials by way of introduction to a document that should be the basis of managing the Council in the forthcoming year, but it should also include a staffing budget by department calendarised across the year.	5.37			2003/4	2003/4	determined by need to revise for 2004/5
Each region should produce an annual prioritised work plan identifying those areas and organisations that will receive more, and potentially less, support and ensure that it is clearly communicated to staff and partners.	Stage II 3.106	High	Local Development (Council)	Q1 2003/4	Q3 2003/4	Early output feeds 2004/5 Corporate Plan

Stage II Recommendations - Relationships

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
<p>A planned approach to advocacy should be developed in consultation with representatives of other key agencies that seek to advocate the value of sport that identifies:</p> <ul style="list-style-type: none"> □ The key agencies that the Council and others are seeking to influence. □ The outcomes sought. □ The co-ordinated action to be taken at a strategic, regional and local level. □ Who is best placed to act in the advocacy role for different agencies within the Council (Members, Managers and Staff) or from other agencies. □ How other partners can also be encouraged to advocate to the identified organisations and individuals as part of a co-ordinated approach. □ Resources required to assist with the advocacy role and deliver the key outcomes. 	Stage II 3.20	High	Council	Q1 2003/4	Q3 2003/4	Initial inputs fed into 2004/5 Corporate Plan
In furtherance of its advocacy role the Council could consider the idea of an annual meeting specifically targeted to attract a significant audience of those interested in sport in Wales.	Stage II 5.1	Low	Council	Q4 2003/4	Q4 2003/4	Consider as basis for presenting 2003/4

						Report
The review of the management of relationships with key stakeholder groups should be made explicit as a Council matter and receive regular monitoring. The emphasis on this matter needs to be widened from the sports governing bodies to other stakeholder groups such as local government and the education sector, which are both significant promoters and funders of sport in Wales. It is important that concerns of different sectors and regions of partners are considered closely during this exercise.	Stage II 5.4	High	Council	Q1 2003/4	Q2 2003/4	
In line with the recommendations below for prioritisation, the Council should seek to strengthen relationships with the professional sports confirmed as priorities.	Stage II 3.49	High	Council	Q1 2003/4	Ongoing	

Stage II Recommendations – Operational

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
Action should be taken by the Council to identify a long term strategy for the recruitment, training and support of volunteers and professionals, with clearly defined outcomes that link to the wider learning agenda as well as to the achievement of sporting outcomes. Greater priority should be given within the Council's future work programme to achieving the desired outcomes in this area. We would suggest that such an important area should have one lead officer within senior management and that the possibility of a small unit dedicated to this area be considered.	Stage II 3.34	High	Council	Q1 2003/4	Q4 2003/4	Should feed 2005/6 Corporate Plan with initial proposals in 2004/5 Corporate Plan
The Council should complete its work with the GB's on identifying priority athletes and implement a more proactive approach to the provision of support. This should also take into account the recommendations above related to priority sports.	Stage II 3.45	High	Council	Q2 2003/4	Q4 2003/4	Must be well thought through – focus on 2005/6 Corporate Plan

<p>The Council should review the current application system for Development Support and Coach Cymru grants and in particular considers:</p> <ul style="list-style-type: none"> ❑ Simplifying the application process for Governing Bodies receiving funding of £100,000 or less. This could involve a more streamlined application form and forward plan, submitted on a bi-annual basis, with officer delegated decision making. ❑ The larger Governing Bodies should be required to submit four year plans, but with bi-annual reviews. We support the option proposed by the Council of this consisting of a detailed officer led review, with the priority areas of concern or opportunity then debated by the Panel. This would also reduce the number of panel meetings needing to be held each year. ❑ Developing a less prescriptive approach with GB's that demonstrate their ability to deliver the outcomes required and to effectively manage their organisation and finances. 	Stage II 3.51	Medium	Council	Q3 2003/4	Q1 2004/5	Should be treated as a rolling review with changes made on a progressive basis.
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Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The Council should complete its review of the first stage application form and seek to reduce the level of detailed information sought.	Stage II 3.113	Medium	Council	Q2 2003/4	Q3 2003/4	
The Council should review the procedures for decision making at a national and regional level with a view to delegating decision making on all projects that are not of national significance to the regional committees.	Stage II 3.119	Medium	Council	Q2 2003/4	Q4 2003/4	
The Council should undertake further consultation with partners to identify how issues related to transparency of decision making could be addressed.	Stage II 3.120	High	Council	Q1 2003/4	Q4 2003/4	
The Council should critically examine the current workloads and skills of regional and central staff and robustly challenge: a) if the current staff resource is sufficiently focused on working in the areas and on the issues of greatest significance b) if the balance of resource between central support staff and the regions ensures that resources are being allocated to the areas where the greatest impact can be	Stage II 3.16/1	High	Council/Local Development (Council)	Q1 2003/4	Q3 2003/4	

achieved. C) if the current skills and knowledge of the staff require enhancement via training, particularly related to linking in to the wider community development and regeneration agendas d) if sufficient attention is being given to enhancing the skills and capacity of other organisations (see recommendations on the recruitment, training and support of volunteers and professionals and on advocacy.						
The Council should monitor the turnover of staff in Governing Body Services and the Sports Medicine and Science sections and link this to the work of the remuneration committee (see later recommendation 5.10). The training and induction procedures for new liaison officers should be reviewed, in consultation with GB's, to establish if there could be a more effective "fast track" approach to developing their knowledge and understanding of the GB's that they have a lead responsibility for and other relevant issues.	Stage II 3.48	Medium	Council	Q2 2003/4	Q4 2003/4	

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The additional possibilities of Pwllheli should be investigated further by Plas Menai, especially as a source of low season income and a community development opportunity.	Stage II 3.76	Low	Plas Menai manager	Q1 2003/4	Q4 2003/4	
While dealing with the catering contract is clearly a priority, the cleaning contract should also be tested at the earliest opportunity – we would recommend that this be done in the 2003/4 financial year. (Plas Menai)	Stage II 3.78	Low	Plas Menai manager	Q3 2003/4	Q4 2003/4	
The Plas Menai centre should proceed to selection of a system to interface with Sun financials with a view to implementing in 2003/4.	Stage II 3.79	Medium	Plas Menai/ IT managers	Q2 2003/4	Q4 2003/4	
On good business grounds the Council should reconsider the decision not to create a separate linked website for Plas Menai and build a plan for a secure capability for the centre into its IT strategy. It should also review the facility needs for e-marketing. The centre manager and IT manager should work together with a view to solving the coach internet access issue in a way that is both	Stage II 3.81	Medium	Council	Q2 2003/4	Q2 2003/4	

cost effective and acceptable to the Council.		Low	Plas Menai/ IT managers	Q2 2003/4	Q3 2003/4	
Proposals to improve the web site for WIS should be implemented, including to provide electronic booking facilities for Governing Bodies.	Stage II 3.86	Medium	Council	Q2 2003/4	Q4 2003/4	
Key decisions relating to the future of WIS and its refurbishment should be taken by the Assembly and the Council as soon as possible to enable operational decisions to be taken within an informed context. Subject to the way forward selected, consideration should be given to the market testing of the catering and the overnight security contract.	Stage II 3.92	High	Culture, Sport & Welsh Language Directorate. Council	Q2 2003/4	Q4 2003/4	Must follow work on charitable status

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The Council should undertake a fundamental review of the priorities and objectives of research and evaluation. Particular attention should be given to development of a robust evaluation framework for sport that will incorporate collecting and disseminating the evidence to demonstrate the value of sport in Wales in conjunction with Welsh and UK partners, and good practice.	Stage II 3.131	High	Council	Q1 2003/4	Q3 2003/4	
Further consideration should be given to the budget allocated to research and evaluation for SPORTLOT funded projects and to contracting out the monitoring of SPORTLOT funded projects. This should include some qualitative research.	Stage II 3.130	Medium	Council	Q2 2003/4	Q3 2003/4	
The Council should confirm the objectives and priorities of the information service and review its effectiveness in meeting user needs. Alternative options to the role of the Council as the direct provider of aspects of the service, for example database management, should be explored.	Stage II 3.133	Medium	Council	Q2 2003/4	Q4 2003/4	
The Council should produce a new marketing strategy once key	Stage II	High	Council	Q3	Q4	

decisions have been taken as to the strategic direction of the Council and its services. Any future plan should be explicit about how the marketing aims and tools used will contribute to the strategic and business objectives of the Council and should incorporate the advocacy plan as outlined in recommendation 3.19. An action plan should be produced and performance reviewed on an annual basis, including to assess best use of available resources.	3.145			2003/4	2003/4	
The Council should review the structure of its senior executive functions in the areas covering corporate services with a view to combining functions with significant synergies and clarifying service reporting lines.	Stage II 3.147	Medium	Council	Q1 2003/4	Q2 2003/4	
The Council should carry out a detailed review of HR, registry and records sections to confirm that the level and structure of staffing is appropriate to its needs now and in the future (especially in the event of major changes at WIS).	Stage II 3.139	Low	Council	Q2 2003/4	Q3 2003/4	

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The Council should carry out a review of the activities of the secretarial group to ascertain the best mix of staffing to deliver the support needs with a view to the cost effectiveness of the operation. As part of this review the current practices supporting the individual committees and panels should be scrutinised. The review should also be used as a means of deciding how this area of work can be best managed in the future.	Stage II 3.141	Low	Council	Q2 2003/4	Q3 2003/4	
More consideration should be given to the form and presentation of Council papers to improve the effectiveness of the Council as a body, to encompass: <ul style="list-style-type: none"> □ The precise nature of the input required from members; □ Clarification of the key issues as summary in the case of longer, more complex papers; □ Clear notice of the effect on outcomes of any decision or direction recommended by the Council, especially in such matters as virement where a decision can impact on Plan deliverables in- 	Stage II 5.5	Medium	Council	Q1 2003/4	Q2 2003/4	

year.						
The Remuneration Committee, to comply with best practice, should meet at least annually to consider and make recommendations to Council on the proposed annual pay settlement (including one-off awards) and implications for the future, and on Chief Executive pay as well as meeting, as required, to discuss proposed changes to pay structures within the Council. The Assembly should consider adopting best practice for Remuneration Committees of all ASPBs to consider all senior management team pay awards.	Stage II 5.10	High	Council/ Remuneration Committee National Assembly			Timing to coincide with next annual pay settlement
Steps are needed to improve the quality of cash flow forecasting, especially over the summer period.	Stage II 5.13	Medium	Director Finance (Council)	ASAP	Q1 2003/4	
The sponsoring Directorate should consider the balance that it would like the Council to achieve in terms of forward lottery fund retention and commitments.	Stage II 5.19	Low	Culture, Sport & Welsh Language Directorate	Q3 2003/4	Q4 2003/4	

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The Audit Committee in conjunction with the internal auditors should consider a greater extent of audit work in risk areas that are not primarily financial in nature.	Stage II 5.22	Low	Audit Committee	Q1 2003/4	Q2 2003/4	Timing to coincide with agreeing next update to IA plan
The Council should regard virement from capital to current spend as an absolute last resort. This is not good accounting practice in any organisation, and to use this as a solution to a current financial shortfall will rightly raise concerns from the sponsor over planning and control issues. The Council should adopt a policy of solving any problems through adjustment of the current spend levels before even considering this approach, while being careful to inform the sponsor	Stage II 5.24	High	Council Culture, Sport &	Ongoing	Ongoing	

of the impact of any potential budgetary adjustments. The Assembly should consider the wording of financial memoranda on this issue.			Welsh Language Directorate.			
All expenditure to third parties for goods or services provided to the Council should be regarded as contractual spend, irrespective of the detailed relationship between the Council and the supplier. It is our view that this type of spend would be covered by the EU Procurement Directive. The limits specified in the Financial Memorandum should then be applied to this spend. The Welsh Assembly Government should consider the wording of the Financial Memorandum to clarify that all supplies of goods and services are covered by section 3.9 and cannot be circumvented through the use of grant funding in situations where the supplier is also regularly grant aided.	Stage II 5.24	Medium	Council Culture, Sport & Welsh Language Directorate	Ongoing	Ongoing Q3 2003/4	
A cross-functional small working group should be set up to develop and assess the risk register, meeting with a suitable frequency, say every six months. The senior management team should address the need to develop other aspects of the scheme along best practice lines as an ongoing objective.	Stage II 5.27	Low	Senior Management Team (Council)	Q1 2003/4	Ongoing	

Recommendations	Report reference	Importance	Responsibility	Start Date	End Date	Notes
The Council should construct a framework through which departments are reviewed on a periodic basis to ascertain whether there are options for the more efficient delivery of activities, and to compare the resources in place with movements in the workload to be delivered within the department. This should include an assessment of alternatives for sourcing the delivery of services and whether a staffing or contracting route is the most suitable. A summarised version of this work should be included in the Corporate Plan to provide clear evidence of the movements of efficiency levels over the plan period.	Stage II 5.33	High	Council Senior Management Team	Q1 2003/4 Q1 2003/4	Q1 2003/4 Q2 2003/4	Framework Plan
For practical reasons it would be useful for the annual review of the	Stage II	Low	IT Manager		By end	

business continuity plan to identify South Wales based bureau facilities which may be suitable for provision of emergency facilities in the event of total disaster at WIS.	5.42				2003/4	
The time is now right to move forward on Welsh language policy and we believe the Council should take up the challenge of increasing targets for fluent Welsh speakers, focusing on customer facing activities. This is likely to create hotspots to be addressed in such locations as WIS and South West Wales which need to be addressed by recruitment or training.	Stage II 5.59	Medium	Council	Q2 2003/4	Q3 2003/4	
The sponsoring Directorate should review its processes for handling requests for approval from the Council to ensure that the speed of response is appropriate to the particulars of the case, and to ensure that communications are working effectively with other departments that need to be involved in the response.	Stage II 5.63	High	Culture, Sport & Welsh Language Directorate	Q1 2003/4	Q2 2003/4	
The Culture, Sport & Welsh Language Directorate resolves outstanding branding issues on lottery funded developments with DCMS in order to give clear guidance to the Council on how to manage branding of new projects.	Stage II 5.64	Medium	Culture, Sport & Welsh Language Directorate	Q1 2003/4	Q2 2003/4	

2. Introduction

2.1 This report covers the second stage of the Quinquennial Review of the Sports Council for Wales (the Council). The terms of reference for the review are attached at appendix A. Stage I addressed the demand aspects of services and what vehicle would be suitable for their delivery. Stage II is concerned more with the supply side in delivering strategic effectiveness and seeks to answer the following questions:

- *What have been the main strategic achievements of the Council? To what extent does it meet its goals and what performance issues need to be addressed?*
- *How effective is the strategic relationship between the Council and the Welsh Assembly Government in meeting the Assembly's strategic objectives, guiding themes and values?*
- *How effective has been the Council's corporate planning in developing clear strategic direction, setting targets and allocating resources? Does the planning process reflect an integrated approach to its functions?*
- *Is the Council sufficiently responsive to partners and customers? Are there ways to strengthen relationships?*
- *Are reporting arrangements appropriate between the Council and the Welsh Assembly Government?*

2.2 In addition Stage II of the report looks at a series of Corporate Governance issues to provide answers to these questions:

- *Are current arrangements appropriate – is there sufficient public accountability?*
- *Do financial and managerial control arrangements meet established requirements?*
- *Do audit reports provide confidence in the running of the Council? Is its audit committee working effectively?*
- *Are finances and assets managed effectively in respect of policy evaluations and pursuit of value-for-money?*
- *Are standards met in the handling of procurement, openness and handling of complaints?*
- *Does the Council have good arrangements for monitoring the quality and efficiency of service delivery?*
- *Is there a good track record in improving efficiency and robust plans for the future?*

Issues for further review in Stage II of the Review

2.3 In stage I of this review a number of issues were identified for further work in stage II. The table below lists these issues and the paragraph references in that report.

➤ 6.52 the delivery mechanisms that will enable the Council to extend its advocacy role and strengthen its work with respect to education and training of both professionals and volunteers.
➤ the support provided by the Council to key partners, with a view to focusing such support on a limited number of areas critical to the partners and that other organisations are not able to provide.
➤ the approach to delivering support to elite athletes in connection with the future proposals for the national centres and more focused funding.
➤ the priorities for funding and the merits of focusing resources into fewer grant aid programmes and, at an elite level, potentially to fewer sports and/or applicants.

➤	the effectiveness of its current awareness raising role and in the provision of information.
6.53	Consideration should be given to the skills and experience required to deliver against a change agenda.
8.17	The planning process will need to be reviewed to ensure that it can support a more open and involving environment.
8.24	The operation of the non-lottery Council committees, especially the Remuneration Committee, will require review.
8.25	The role of Council Members in Governance should be reviewed

2.4 The Executive Summary of the Stage I report is attached for reference at appendix B.

3. Efficiency and Effectiveness – Key Functions of the Council

Overview of performance measures and targets

3.1 We have considered the selection and use of performance measures and the setting of performance targets. The key performance indicators used by the Council include:

- ❑ 13 strategic indicators, which measure the overarching objectives related to participation levels and achieving excellence.
- ❑ 10 local and 13 national performance indicators that relate to specific programmes and aspects of the performance of the National Centres.
- ❑ 8 service indicators for corporate development, marketing and public affairs and financial services.

3.2 The Council monitor and report against some or all of these “high level” indicators in annual achievement reports and in the corporate plan. A table summarizing the Council’s performance against these indicators is provided in Appendix C.

3.3 Within the operational plan a further set of management level performance indicators and targets have been identified for each programme and service area. Some service managers have also produced their own detailed operational plans, containing these and more detailed measures and targets.

3.4 The Council has actively monitored trends in performance against key indicators over the last few years and reports on past performance against targets, plus the current years targets, where the information is available. This good practice should be continued.

3.5 We have focused our review on the high level indicators and on the following questions:

- ❑ Do the performance indicators selected measure the key outcomes that the Council are seeking to achieve?
- ❑ Are the individual performance indicators meaningful?
- ❑ Do they collectively provide a rounded view of performance?
- ❑ How has the Council performed against the targets set?
- ❑ Are the targets set sufficiently challenging?

3.6 The Strategic indicators measure performance against objectives and targets set out in the Council’s “Young People First – A Strategy for Welsh Sport”, adopted by the Council and the Assembly in 1999. In stage one of this quinquennial review we identified that Young People First is a strategy for sports development but not a strategy for sport in Wales. In light of the current draft strategy for sport in Wales being prepared by the Assembly Government, the recommendations of this review and recent developments in the understanding of performance measurement for sport, the Young People First Strategy and its related performance measures will need to be reviewed.

3.7 With respect to the current measures being used, we consider that strategic participation measures are of value. Those currently used do provide a broad overview of whether the desired outcomes of increased participation among people of different ages, genders and regions are being achieved. However, the information that they provide and the way that they are reported on could be further refined. Inclusion of measures related to frequency of participation linked to health related benefits, and related to participation by social group, could also enhance the link between sport and wider outcomes. For example, the measures related to participation in extra curricular activity by young people and overall

participation by adults would be more meaningful if they were reported on with reference to the frequency of that participation, and if the level of participation against the target frequency of participation was reported on as well as or instead of the current measure. Further information highlighting differences in the levels of participation by gender and social group could also add value.

3.8 Defining and measuring success in excellence is more difficult. The current measures appear to be reasonable measures, although a review of the different approaches reported on within the recently published "Government Plan for Sport" in England e.g. using measures of performance related to GDP/head of population at major events, or developing a rankings approach that was relevant to Wales, could be considered. As identified above, a more explicit reporting approach would make such measures more meaningful. For example the measure that is "number of individual's achieving British representation" is not referenced in any way to whether this is adults or young people and does not provide an indication of whether there are representatives in the sports that may be of greatest importance to the public.

3.9 The performance indicators used for local and national development services are mainly output rather than outcome focused. As such, there is nothing wrong with the indicators used but to report on the number of awards made or number of people supported provides a basic level of information but does not tell us whether the desired impact has been achieved. Each programme or funding stream should have a clear set of performance measures, related to desired outputs and outcomes, and the collection of both quantitative and qualitative data to enable measurement to occur should be built in to the research and evaluation programme. This may also require clearer guidance being given to grant recipients as to the expectations of the Council with respect to their role in data collection and research.

3.10 The corporate, marketing and financial services performance indicators are of limited value other than as service level indicators. In reporting on corporate performance these could be replaced by some broader measures reporting on the performance of the Council as a whole, more akin to the Corporate Best value Performance Indicators that local authorities are required to report upon. A balanced approach measuring the most important aspects of the business (customers, staff, equity, cost effectiveness etc) is required. Examples of such measures could be satisfaction levels among partners, staff turnover or level of overhead as a % of direct investment in sport.

Recommendation: The Council should refine the strategic participation indicators and examine whether alternative measures for excellence could provide a better overall picture of performance. Further work should be undertaken to identify a clear set of outcome focused performance measures for each programme and grant stream, supported by a costed methodology. This will need to be an integrated part of a revised research and evaluation strategy. A new set of measures for reporting on corporate performance should be developed.

3.11 We have examined the targets set for the Council's performance indicators. The large variances of performance against some targets over the last few years e.g. numbers of centres of regional excellence (CORE's), does raise questions about the validity of both the indicator and the target set and whether they are actually providing a useful and meaningful measure of performance, even though we recognise that this may sometimes be due to external factors outside of the Council's control. Some of the targets set also do not appear to be sufficiently challenging or reflect what has already been achieved e.g. the target for the % of children 11-16 years that are members of a sports club remains at 73% for 2003/04 and 75% for 05/06, despite 73% already having been achieved in 2001/02.

Recommendation: The annual review of performance should take into account the current circumstances and successes, consider the ongoing value of the measure being used and where appropriate set more challenging targets for the future.

The Services

3.12 In examining the effectiveness and efficiency of the service we have considered 2 generic issues that apply across National and Local Development Services – advocacy and the recruitment, training and support of volunteers & professionals - plus individual service areas. These include those areas identified in stage one of the review as requiring further examination plus a general review of each service to establish whether they meet the needs of, and are responsive to, partners and customers and whether the approach to delivery, processes followed and levels of resource allocated are likely to achieve the desired outcomes. Issues related to research and evaluation and marketing are covered in the sections relevant to corporate services.

Advocacy¹

3.13 Stage one of the review identified that the Council's role as an advocate² for sport at a governmental and strategic level, to assist partners to create new partnerships and realise greater investment in sport, is a critical function. Initial consultation had highlighted that the Council was not perceived as being fully effective in this area. In this stage we have reviewed in more detail the expectations of government officials and other organisations related to the Council's advocacy role; examined the approach and actions of the Council and sought to identify where there are perceived and actual gaps in order to inform our recommendations.

3.14 In our consultation cross sector representatives from education, local authorities, national sports organisations and the Assembly all identified the need for the Council to place greater emphasis in their work on the wider objectives of the National Assembly, with more than 2/3rds of survey respondents identifying health as a critical area for attention. The second most important area was seen as education & lifelong learning, followed by community development, social inclusion and community safety. Building relationships and advocating the benefits of sport to representatives of health, education, regeneration and crime and disorder, both within the Assembly and beyond, is seen as an integral element of delivering this desired outcome.

3.15 For National Governing Bodies the need to strengthen the Council's advocacy role on behalf of Welsh sport to wider UK sports bodies was the principle issue, although several also identified the need for a stronger focus on health.

3.16 Whilst a number of organisations identify the need for improved advocacy, there is less certainty about how such a role should be delivered and with whom. What is apparent is that most individuals equate successful advocacy to the achievement of a number of outcomes, which we outline below, and that there is a general sense that these are not being fully delivered in and for Wales. The key success factors that are associated with successful advocacy are:

- recognition of the benefits of sport within non sporting strategic and corporate plans e.g. Assembly Strategies; Community Health and Well Being Strategies, Crime and Disorder Strategies, Local Authority Best Value and Corporate Plans.
- recognition of the needs of Welsh athletes within UK strategic and development plans and initiatives related to sport.
- an openness to involving sports organisations at the outset in the planning and delivery of initiatives that have wider social, health and regeneration objectives, and to joint working to achieve shared goals.

¹ Active support, especially of a cause

² To support or recommend publicly, plead for or speak in favour of. (Definitions from the Collins English Dictionary 21st Century Edition)

- ❑ greater investment of financial and human resources in (Welsh) sport, often as a result of the above factors e.g. funding being allocated to sport from a health or education budget at national assembly or local government level, or more time being spent by a UK performance director on Welsh athletes.

3.17 It is apparent from our consultation that some organisations feel that sport in Wales, and the Sports Council, are not achieving levels of investment that other Home Countries have managed to obtain through successful advocacy. For example:

- ❑ In Scotland the Scottish Executive have committed significant additional funding to SportScotland over a 3 year period with base line funding rising from a current £12.5 million to £21.4 million by 2004/05. Between 2003/04 and 2005/06 a contribution of £10.7 million is being invested in school sport from the Health Improvement Fund.
- ❑ Sport England, working with other influential sports agencies during 2000-2002, realised significant investment in School and Community Sport including through NOF investment of £750 million, Space for Sport and the Arts investment of £130 million and a reported £450 million over three years from the governments spending review. There has also been a commitment to mainstreaming and further extending the School Sports Co-ordinator programme from the Department for Education and Skills.

3.18 In terms of what is currently being delivered by the Council in the way of advocacy, it is apparent that it does form an important element within the Council's work, although may not always be recognised as such. It is clear that effective advocacy work has taken place with some organisations and there are a number of examples of positive partnerships and outcomes having been achieved. For example, the Council has played an active role in the PE and School Sport taskforce that has resulted in an additional £5million being provided from the education budget for 2003-2006 for implementation of the action plan. At a regional level a seminar was held in the North for non-sporting partners on the benefits of sport and a sporting project has been developed in Rhyl that contributes to community safety involving a number of non-sporting partners. Individuals within the organisation are also continuing to extend and develop that role. For example a recent meeting has been held with the Minister for Finance, Local Government and Communities to discuss the contribution that sport can make in Communities First areas. There are a range of other examples that could be used.

3.19 However, overall the Council's approach to advocacy is not clearly planned and there is not broad acceptance across the Council of the importance of the advocacy role with government and organisational representatives outside of the cultural sector. The priority issues and organisations to work with, and the desirable outcomes from such advocacy work, do not appear to be reviewed and confirmed on a regular basis. It is not evident that the Council organises its own resources, or liaises with other influential agencies within the sports and cultural sector, to ensure a fully effective and consistent approach to tackling these issues through influencing key decision makers at a strategic, regional and local level.

3.20 Concern has been expressed over the time implications of such an advocacy role. Whilst the implications should not be underestimated of such work, particularly when the messages being promoted are falling on unreceptive ears, the current lack of planning and co-ordination without doubt means that the work that is taking place is less effective and more time consuming than it could be.

Recommendation: A planned approach to advocacy should be developed in consultation with representatives of other key agencies that seek to advocate the value of sport that identifies:

- ❑ The key agencies that the Council and others are seeking to influence.
- ❑ The outcomes sought.
- ❑ The co-ordinated action to be taken at a strategic, regional and local level.
- ❑ Who is best placed to act in the advocacy role for different agencies within the Council (Members, Managers and Staff) or from other agencies.

- ❑ How other partners can also be encouraged to advocate to the identified organisations and individuals as part of a co-ordinated approach.
- ❑ Resources required to assist with the advocacy role and deliver the key outcomes.

3.21 A second significant issue to have come out of the evaluation of the advocacy role relates to who the Council should be advocating to, and particularly its role in connection with health.

3.22 The Council considers its principal role to be to achieve its core objectives of increased participation in sport and success for Welsh competitors. It sees the responsibility for the broader aim of encouraging active lifestyles and of measuring the impact on health of sport and active lifestyles to be the responsibility of the health sector and health promotion.

3.23 It is evident that this view is not shared by the Assembly Directorate or by a number of external partners. This is an area that needs to be clarified for all concerned if expectations are to be managed.

3.24 There are a number of government funded sports agencies in other countries that have responsibility for increasing participation in physical activity, as well as sport, and the encouragement of more active lifestyles. Australia, Finland and the USA are among the most well known. The Australian Sports Commission's Active Australia initiative aims to increase the number of Australians involved in sport and physical activity in the long term. Initially this sought to raise awareness of the importance of physical activity through high profile media campaigns, although following a review in 2001 the focus moved towards the delivery of programmes to expand the reach and active membership of grass roots clubs and sporting associations. In the USA the President's Council on Physical Fitness and Sports main aim is to encourage more Americans to be physically active. Supported by the Office of Public Health and Science, they have a role which includes expanding national interest in and awareness of the benefits of regular physical activity and sports participation; increasing access to physical activity and sport in partnership with the public and private sectors and expanding the information and guidance available on physical activity and sports participation.

3.25 In the UK, Sport England and Sport Scotland are placing a greater emphasis on connecting with their respective health departments and key health agencies, although both are still in the early days of implementation of such initiatives. In England the Government's Plan for Sport has placed a much stronger emphasis on the health benefits as being the justification for government investment in sport. Action that has been taken in England includes:

- ❑ A secondment from Sport England to the Department of Health.
- ❑ Funding to the British Heart Foundation for a health project. This involves an appointed post working on three core areas: mapping all of the existing sport, physical activity and health related initiatives and capacity within each of the 9 English regions; development of a sport, physical activity and health toolkit for professionals; providing advice, support and professional development opportunities related to health to Sport England staff. Each region has identified a lead officer for health.
- ❑ Working with the Department of Health and the Countryside Agency to fund and evaluate a national programme to test ways of getting people more active. This initiative is about to be announced and involves 9 Local Exercise Action Pilot projects around England.

3.26 In Scotland "Lets make Scotland more active – a strategy for physical activity" was published in February 2003 by the Physical Activity Task force. A Physical Activity Co-ordinator has been appointed as a secondment from the Health Board to oversee the implementation of the plan in conjunction with key partners. Sport Scotland has played an active role in the taskforce and is seen as a key partner in the implementation phase. Key physical activity targets have been set that relate to both the frequency and intensity of participation necessary to maintain health and fitness.

3.27 The Sports Council for Wales does recognise a need to link with health and it was proactive in the early stages of developing the Health and Active Lifestyles taskforce, ahead of the other Home Country Sports Council's. However the resulting consultation document and action plan appear to have done little in the way of developing positive partnerships between sport and health and the co-ordination of approaches to ensure the delivery of a shared objective. This would seem to be a missed opportunity for all of the agencies involved and for sport in general. Given the time spent by the taskforce on its development and with respect to decision making, a critical and honest assessment of the difficulties encountered and the inability to resolve them by all the partners may help prevent similar future situations.

3.28 Although the Council includes reference to wider health objectives within corporate and operational plans, it is not always explicit about the contribution that some of its programmes make to health improvement. This is linked to the issues identified earlier about the need for wider outcome measures to be identified for some programmes and for greater consideration to be given to measuring the impact beyond that of increased participation.

Recommendation: The Council revisits, in discussion with Assembly Officials (Health and Sport) and other key agencies its role and objectives related to health. This should include to:

- ❑ consider broadening the Council's participation objective to reflect that increased levels of participation are sought in order to have a positive impact on the health and well being of the people of Wales.
- ❑ clarify the Council's role with respect to promoting physical activity, as opposed to just sport.
- ❑ revisit the Health and Active Lifestyles Task Force action plan and clarify expectations and roles for the future.

The Recruitment, Training and Support of Volunteers and Professionals

3.29 The Council's role in the area of education and training was identified as an area for further consideration in stage two of the review. Having examined the issue further it is clear that having sufficient and appropriately trained volunteers and professionals to support and deliver varied sports opportunities in Wales underpins all current and future sports provision. We have therefore considered education and training as embracing this wider context.

3.30 At the current time there is no education and training strategy for the sport and leisure sector in Wales and no co-ordination of the different agencies that have an interest in this area. There is no lead officer for education and training within the Council. Education and training matters are dealt with by a number of staff in both National and Local Development Services including the Regional Manager for the Northern region, the Manager of National Governing Body Services, the Coaching Officer, the Dragon Sport Development Officer and the PE and School Sport Manager.

3.31 The work of the Council does involve some support to education and training organisations and delivery of direct training opportunities through working with other key agencies such as local authorities and Sportscoach UK. The Sports Council have committed £25,000 per annum to SPRITO Cymru for three years to implement an Action Plan related to education and training. Education and Learning Wales (ELWa) have also made a financial contribution, although this had not been confirmed for future years at the time of writing of this report. Key targets to be achieved by 2005 include preparation of a Welsh Education and Training Strategy for the sector, the alignment of coaching qualifications to the new national framework and the accreditation and registration of all Welsh training providers against national standards. This work is in a very early stage of development. We view the partnership between SPRITO, the Council and ELWa as a positive development, but are concerned that insufficient resource has been committed to enable such an essential area of work to be progressed and implemented quickly.

3.32 Coach and volunteer development and support are also areas that the Council has stated that it is keen to develop further, and that it puts significant financial support in to through Governing Body grants, Local Sports Development Grants and Community Chest. The recommendations of the Coaching Taskforce in England have raised the profile of coaching at the current time. If successfully implemented in England without comparable development in Wales, then coaching in Wales could fall even further behind and be at risk of having to accommodate change without appropriate consideration having been given to what it is the best interests of Welsh sport.

3.33 It is evident that Council managers and development staff recognise that the current approach and infrastructure in Wales are not adequate and must be addressed if the longer term targets related to participation and excellence are to be achieved. It would appear that discussion has been ongoing for at least 3 years as to how to tackle the issues, with a Coaching and Volunteering paper agreed by the Council in 2001, yet there still remains no long term vision or plan for the recruitment, training and support of volunteers and coaches. This area of work at the current time does not appear to have a high priority when it comes to allocation of resources. This lack of clear direction does not assist the Council in making the case for investment from elsewhere.

3.34 However there has been progress in some specific areas. An important element within the PE and School Sport implementation plan is the provision of initial training and continued professional development for teachers. A new training and administration officer is about to commence and a clear action plan is to be implemented. In addition, an officer with responsibility for volunteer recruitment and retention has been appointed for Dragon Sport and some good work is now taking place, e.g. the production of the Dragon Sport volunteer recruitment and retention plan for DS Co-ordinators, which has the potential for expansion in the future if a clear direction is set. Links do exist with other voluntary sector organisations such as the Welsh Council for Voluntary Action and we are aware that a potentially different approach to the delivery of coach training and coach support is being considered.

Recommendation: Action should be taken by the Council to identify a long term strategy for the recruitment, training and support of volunteers and professionals, with clearly defined outcomes that link to the wider learning agenda as well as to the achievement of sporting outcomes. Greater priority should be given within the Council's future work programme to achieving the desired outcomes in this area. We would suggest that such an important area should have one lead officer within senior management and that the possibility of a small unit dedicated to this area be considered.

National Development Services

3.35 The three core areas of work within NDS are Elite Cymru and the support services provided to elite athletes by the coaching, sports science and sports medicine team; Governing Body Services and the National Centres. 20 full and part time staff work for NDS, with WIS and Plas Menai employing up to 100 other full, part time and casual staff.

Elite Cymru and Coaching, Sports Science and Sports Medicine Support

3.36 The competitor centred model adopted by the Council to enable athletes to fulfil their potential provides a sound framework for the Council to operate within. Elite and potentially elite athletes are supported with financial aid and with access to support services, mainly provided centrally at WIS, including use of facilities, sports science, sports medicine and career advice.

3.37 At the current time 129 individual athletes across 33 sports are receiving support through Elite Cymru. There are also academies for cricket, hockey and netball supporting a further 37 athletes. Services are provided by a staff network consisting of 1 Elite Cymru manager, 1 development officer and 2 administrative officers. Coaching, sports science and sports medicine employ 1 manager, 5 physiologists/psychologists, 1 strength and conditioning

coach and 1 coaching officer. A laboratory technician and part time medical doctor will soon be added to the team. Athletes can also source physiology, psychology, biomechanics, nutrition and conditioning support at other locations, such as University of Wales in Bangor and NEWI College in Wrexham, and through freelance consultants. There are 21 approved service providers, although the extent to which their services are used is variable. The priority for the services at WIS is to meet the needs of the Elite Cymru and academy athletes, although individual athletes and Governing Bodies can also buy access to the services. Staff currently operate on a mainly reactive basis to the needs of the athletes.

3.38 The Council works with the Governing Bodies of Sport (GB) to identify the performance standard that has to be reached by athletes within each sport and discipline. This means that the standards are different across sports. It is the GB's that identify when athletes have met the required standards, at which point athletes must themselves complete an application form. The form is then verified by a technical officer within the GB, who will comment on the potential of the individual concerned, prior to its submission to the Council. Officers from Elite Cymru and Governing Body Services appraise the application against a standardised scoring system that takes into account the sports competitive profile, the applicants representation/ranking and previous achievements, the planned preparation and competition programme and the governing body assessment. Officers put recommendation to the National Excellence Panel for final decision.

3.39 A written procedure is in place for the administration of the grant, which documents a clear process and minimum expectations with respect to keeping applicants informed of decisions taken and the reasons for such decisions.

3.40 Elite Cymru is available to individuals across all recognised sports. However an internal prioritisation process does apply within Elite Cymru against 3 categories of sports. Athletes therefore have different levels of support and access to services. Athletes achieving the appropriate standard in the 45 sports covered in categories A and B receive funding and a range of support services. For category C sports (a further 70) fewer athletes are supported and they do not have access to support services.

3.41 In the current financial year elite athletes will receive £753,133 in performance and subsistence awards. 69% of total grants will go to athletes in ten sports (in descending order of total awards): golf, badminton, cycling, athletics, boxing, squash, shooting, disability sports, canoeing and table tennis. 11 athletes from category C sports are currently funded, with their total funding equating to 3.9% of all grants. Elite Cymru is not static. Between 2000 and 2002 23, 31 and 53 athletes in each respective year had their support discontinued and 51, 53 and 44 new athletes in each year started on the scheme.

3.42 The majority of governing bodies and elite athletes consulted consider Elite Cymru to be an effective source of support to Welsh athletes. All of the athletes believed that it had had a positive impact on their performance and most that it had made a very significant difference. There were no major problems identified with the administrative and payment process and athletes were satisfied with the services they had accessed and the staff that they had been in contact with. This supports the findings of the 2001 research by the Council across a wider sample of athletes. There are also positive outcomes being achieved at significant events. At the Commonwealth Games 2002 Wales finished 4th in the medals per capita table ahead of other home countries. 87% of medal winners were previous or existing members of the Elite Cymru scheme.

3.43 A number of issues or suggested improvements were, however, commented upon by Elite Cymru athletes:

- The level of funding to individual athletes – a minority commented that they felt that it is insufficient. One GB expressed a view that fewer athletes should be funded enabling greater resources to be provided to each individual.

- ❑ The Standards – comment was made that standards in Wales to get funding as an elite athlete are higher than elsewhere in the UK. One individual also commented that athletes in different sports achieving what they considered to be a comparable level of success receive different levels of support, which they felt was not equitable.
- ❑ The application process – was felt to be time consuming. In particular this comment applied when individual applicants had submitted a request for a level of funding that was not awarded, with the individual then being required to resubmit information against a lower level of funding.
- ❑ The tight regulations on how the money can be spent and the claims procedure - Several athletes felt that the requirement to use the grant in the way outlined in their initial (and then annual) application did not allow them to use it in the way that might suit them best taking into account the fact that they may have changing needs during a year. It was also felt that having to submit receipts or evidence of expenditure sometimes resulted in athletes not receiving reimbursement due to them not always remembering to get the appropriate receipts! However, it is evident that the system does accommodate change when injury occurs, as the athletes with injuries that we spoke to were receiving a different and appropriate level of support, which clearly differed from the original approach proposed.
- ❑ Limited review of needs and contact with the Council - None of the athletes consulted had had a regular review meeting with the Council to assess their changing needs or future requirements. With respect to reporting on their achievements, all of the athletes indicated that the monthly or annual forms submitted were the way that they informed the Council of their achievements, although no feedback appeared to result from this. One athlete commented that she would like the Council “ to take a more active interest in her achievements and perhaps to contact her on the telephone occasionally just to find out how she was getting on”
- ❑ A perception that some services, for example from the physiologist, are only available during standard weekday office hours. We understand that staff terms do include working outside of standard hours and that services should be available at other times. However this was not the experience of one of our consultees.

3.44 Overall we conclude that the Council is currently providing an effective support service, utilising an appropriate level of staff resource that is valued by elite athletes. The combined approach of financial support and centrally provided services is an effective approach within the resources available. However we would recommend that the Council regularly reviews whether services can be provided more flexibly to athletes not able to access WIS or whose use may be principally outside of standard office hours.

3.45 We are aware that the Council is currently reviewing the priority given to different sports and athletes and, in consultation with GB's, is drawing up a shortlist of high priority athletes with whom a proactive approach will be taken. This will include more regular assessment of the athletes needs with the athlete and their coach. We support this approach.

Recommendation: The Council should complete its work with the GB's on identifying priority athletes and implement a more proactive approach to the provision of support. This should also take into account the recommendations below related to priority sports.

Governing Body Services

3.46 Governing Body Services principal role is to provide development support to 61 recognised Governing Bodies (GB's) in order to improve standards of performance and contribute towards Welsh success at an elite level. This is delivered by a staff team consisting of 1 manager, 5 development officers and 1 administrative officer. £2.96 million in grant aid was provided to 42 GB's in 2001-02 through Development Support grants, Coach Cymru and Elite/Visiting Coaches. In kind support is also provided through facility grant aid and the accommodation budget (use of the national centres) and sports science support grants. Professional advice is provided with respect to the preparation and implementation of strategic and development plans; organisational and business planning/modernisation and a

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wide range of management issues such as child protection and the management and training of staff and coaches. The section is also responsible for the administration of the grants and for annual grant reviews to ensure that value for money is delivered in return for the Council's investment.

3.47 Our consultation identified that the Council's national team has good relationships with most individual GB's of the amateur sports and with the Welsh Sports Association (WSA), their representative body. GB's are represented by WSA being co-opted members of the Sports Council and Chairing the GB Grants Panels. The Council's GB staff are mostly considered to be well informed and able to provide appropriate advice, "once up to speed". This caveat from several GB's related to a concern about the turn over of GB liaison officers, with GB's feeling that it can take as much as a year for some staff to get to know their sport and organisation. One GB stated that they had had 5 different liaison officers in the past 8 years.

3.48 Within Governing Body Services and in the Sports Medicine and Sports Science sections there has been a relatively high turnover of staff over the past few years. This appears to be related to an expansion in the demand for staff with such skills and experience among Governing Bodies and other national sports organisations, for example when the UK and Home Country Institutes of Sport came on line, against a comparatively limited pool of candidates with such experience. It would also appear that similar posts are compensated differently across Sports Council's and other Governing Bodies, within Wales and beyond, enabling those who wish to earn more or to expand their experience to consider positively a move elsewhere. The recent pay awards within the Council may reduce the extent that this may occur in the future, although it is an area that we would recommend is monitored to ensure that continuity of service can be provided.

Recommendation: The Council should monitor the turnover of staff in Governing Body Services and the Sports Medicine and Science sections and link this to the work of the remuneration committee (see later recommendation 5.10). The training and induction procedures for new liaison officers should be reviewed, in consultation with GB's, to establish if there could be a more effective "fast track" approach to developing their knowledge and understanding of the GB's that they have a lead responsibility for and other relevant issues.

3.49 Overall relationships with the GB's of professional sports are not as strong, in particular for rugby and football. There are links and support at an amateur grass roots level, although concerns have been expressed that liaison officers provide less pro-active support than to other Governing Bodies. The Council does not have strong links with those involved in the professional end of the sports.

Recommendation: In line with the recommendations below for prioritisation, the Council should seek to strengthen relationships with the professional sports confirmed as priorities.

3.50 We have considered the grant application, assessment and decision making process for Development Support and Coach Cymru funding. The process is rigorous and both staff and Panel Members are actively involved. The main application form for larger GB's consists of 11 sections and requires detailed information about the funding required, what it will be used for and the anticipated outcomes. It is a complex form that will take considerable time to complete. A slightly less complex form is available for smaller Governing Bodies. Decisions on grants of over £50,000 are made by the Council's National Governing Body Services Development Support Panel, with officers delegated responsibility for grants less than £50,000. By the end of 2003, 20 panel meetings will have been held. Governing Bodies value the opportunity each year to "present their case" to members of the panel and to discuss key issues, however the time implications of such an approach for panel members are considerable.

3.51 We believe that the current approach absorbs an excessive amount of officer and panel members' time, in relation to the level of funding being allocated and the risks involved in some of the awards made. Releasing increased officer time to undertake more proactive work, potentially with the priority sports, is also desirable. We are aware that the Council is considering a number of options for change to the decision making process.

Recommendation: That the Council reviews the current application system for Development Support and Coach Cymru grants and in particular considers:

- Simplifying the application process for Governing Bodies receiving funding of £100,000 or less. This could involve a more streamlined application form and forward plan, submitted on a bi-annual basis, with officer delegated decision making.
- The larger Governing Bodies should be required to submit four year plans, but with bi-annual reviews. We support the option proposed by the Council of this consisting of a detailed officer led review, with the priority areas of concern or opportunity then debated by the Panel. This would also reduce the number of panel meetings needing to be held each year.
- Developing a less prescriptive approach with GB's that demonstrate their ability to deliver the outcomes required and to effectively manage their organisation and finances.

3.52 Within the Council's strategy for the development of excellence it states that "the Council's investment in performance and excellence is directed to those sports with a comprehensive and stable infrastructure on which to build", although no indication is given of which sports meet that criteria. We have reviewed Governing Body funding based on figures provided by the Council for 2001-2002. Although there is no explicitly stated policy of which sports are a priority, it is evident that this is taking place. Expenditure in the form of direct grants (as opposed to other in kind support such as use of facilities and accommodation) highlights that the top 10 sports receive 66% of all funding and the top 20 sports receive 94% of funding, as shown in table 3.1. Further breakdown of the figures is included in Appendix D.

Table 3.1 Top Funded Sports by the Council

Sport/Governing Body	Total direct grant ¹	% of direct funding
Athletics	£236,957	8.0%
Badminton	£222,409	7.5%
Association Football	£220,000	7.4%
Hockey	£209,177	7.1%
Squash	£201,317	6.8%
Cricket	£197,928	6.7%
Netball	£184,862	6.2%
FSAD (inc Boccia)	£173,135	5.8%
Swimming	£153,150	5.2%
Cycling	£147,968	5.0%
Top 10 Sports	£1,946,903	65.8%
Next 10 Sports	£847,667	28.6%
Total for top 20 Sports	£2,794,570	94.4%

¹ Includes Development Support, Elite Cymru, Coach Cymru, Elite/Visiting Coach

3.53 If "in kind" values for the use of facilities and accommodation at WIS and Plas Menai and for sports science services are added to the above list judo and table tennis move in to the top ten sports and cricket and netball move to 11th and 12th position.

3.54 If local level grants, consisting of Community Chest, Girls First, Minor Equipment Grants, Dragon Sport, Local Sports Development Grants and Sportsmatch are added to the

governing body direct grants then golf, gymnastics and rugby union appear in the top ten along with multi-sport projects, with swimming, netball and disability sport dropping down the list but remaining in the top 20 funded sports. Excluding funding for multi-sport, this results in 61% of all funding going to the top 10 sports and 90% going to the top 20 sports. Further information is provided in Appendix D.

3.55 Given that funding is not being distributed evenly currently, we have assumed that the principle of prioritising funding to organisations and sports is not a concern. The issues that may however need to be addressed are:

- ❑ Willingness to explicitly state that prioritisation will take place.
- ❑ Identification of appropriate funding streams to be prioritised.
- ❑ Extent of prioritisation e.g. should it go to even fewer sports/organisations than at present.
- ❑ Criteria for identification of priority sports/organisations.
- ❑ Plus, evaluation as to whether the current funding is being invested in the right place to have the most impact.

3.56 We have reviewed the approach adopted to prioritisation by a sample of other Sports Councils, including Scotland, Australia and New Zealand. For example, in 2001 the Active Australia programme prioritised support through its “targeted participation growth programme” to twenty sports that they considered had the best prospects for growth over the next four years. The programme started with ten initially and then followed with the subsequent ten sports in the next year. This has involved both increased funding and active support to the organisations from the Commission, with high intensity support and investment in the early years and a decreasing investment in subsequent years. 60 National Sports Organisations are still funded through the sports development grants programme, but with a much lower level of finance and support available.

3.57 In Scotland 9 core sports have been identified as the priority for support through the Scottish Institute: athletics, badminton, golf, curling, football, hockey, judo, rugby, swimming. Following Sport England’s recent review it is anticipated that a smaller number of priority Governing Bodies will be identified for future support.

3.58 The approach that has been adopted in New Zealand we consider to be of particular interest. New Zealand has prioritised support to sport for a number of years. It has world recognition in a number of sports, such as netball, sailing and rugby, and at the last Commonwealth Games came 5th overall in the medals total (Wales was 9th) and 3rd overall in medals per head of population, just ahead of Wales in 4th. Following a recent review, Sport and Recreation New Zealand (SPARC) confirmed in its forward strategy to 2006 the need to continue to target its resources and support. It identifies three levels of support to national sports organisations.

3.59 Seven sports are identified as “Priority Sports” for a 4-year period: cricket, equestrian, golf, netball, rowing, rugby and yachting. These include sports that are financially dependent and independent of government funding. SPARC have stated that the reasons for the selection of these sports are that they have:

- ❑ High participation levels among New Zealanders
- ❑ The ability to be world leading and to achieve recognition for New Zealand
- ❑ Links to important industries and infrastructure
- ❑ The ability to “stop New Zealanders in the street” when they are doing well.

3.60 The SPARC approach is to work with the national sports organisations on all aspects of development “to achieve more success, world-leading systems and greater involvement in physical activity”. There is a strong focus on young people and junior sports development.

3.61 The next level of support that is being given is to three sports (athletics, swimming and cycling) that are considered to be significant sports, but are not included as priority

sports. These sports have specific issues needing to be addressed to ensure they develop and are sustainable in the future.

3.62 The remaining national sports organisations are still eligible to apply for funding, but will not receive the level of support and assistance of the priority sports. Funding is dependent on national organisations developing a forward plan and delivering against SPARC's aims for both participation and performance.

3.63 SPARC support talented and elite athletes through the New Zealand Academy of Sport (NZAS) which works with 28 "carded" sports. The National Sports Organisation (NSO) for each of these sports has a service agreement with the NZAS which outlines the funding and services that will be available to their athletes at different levels. Four levels are identified within most sports: Level 4 Junior; Level 3 Development; Level 2 International and Level 1 World Class. Athletes are awarded cards by their NSO based on criteria agreed between the Academy and the NSO and cards at different levels have different values.

3.64 This structure is clearly prioritising funding and support services to key sports. However, it is also clear the SPARC are not necessarily intending that the 7 priority sports will keep that status indefinitely, but that a concerted effort over a four year period is expected to produce significant change and results that will put the sporting organisation on a sound footing for the future. SPARC have indicated that in 2006 they are then likely to move on to focus on other sports.

3.65 The approach adopted in New Zealand is one that in our view has elements that could be beneficial to sport in Wales.

3.66 We have considered a range of criteria that could be appropriate for use in Wales, should a limited number of priority sports be adopted, although they need not be equally weighted in importance:

- ❑ Levels of current participation in the sport in Wales
- ❑ Ability to significantly increase participation levels in Wales and capacity within the sports infrastructure to do so
- ❑ Importance to the public
- ❑ Sports that form part of the Olympics and Commonwealth Games and that have high profile international events
- ❑ Ability to achieve international success and to gain recognition for Wales

3.67 Our preliminary review of the sports currently receiving the most funding against these criteria would seem to indicate that investment may not be focused into the areas most likely to achieve the desired objectives of the Council and that would be most strongly supported by the public. We have not however completed a detailed appraisal and do not believe it is appropriate that we make such decisions. However it is our view that there is a need for the Council to review its approach to funding and supporting sports, and in particular the Governing Bodies of Sport, and to implement a prioritisation stage as part of strategy development or as a precursor to the current grant reviews. Although inevitably there will be some opposition to such a prioritisation process, particularly among the sports not initially identified as a priority, once decided it should be an explicitly stated policy of the Council.

Recommendation: That the Assembly and the Council review the merits of prioritising a few sports/Governing Bodies to receive increased levels of funding and support for a fixed period of time, with a clear growth strategy and specific outcomes and targets to be achieved over the short term (e.g.4 years) and longer term (e.g.10+years). This should require commitment to contributing to increasing participation, talent identification and development and achieving elite success. Priority should be given to seeking increased investment in the prioritised sports from the Council's existing resources and through advocating the benefits of additional investment to the Assembly and other partners.

3.68 With respect to sporting events the Council is mainly reactive rather than proactive in its role. The last major event that it directly delivered, in partnership with the Welsh Council for School Sports, was the Millennium Youth Games. For the majority of sport specific major events, such as European or World Championships, it is the Governing Bodies of the Sport either at a UK or Home Country level that are the eligible body to host an international event. Some international events can seek funding through UK Sport.

3.69 Support for domestic events is considered as part of the annual review of Governing Body development support grants. However larger events of significance that are seeking financial support from the Council will be referred to the next Council meeting for decision. Where the Council does provide support it does this in a number of ways:

- ❑ endorsement of the event.
- ❑ advice - on the bid, related development work or if held at WIS on event management issues.
- ❑ financial support.

Examples of events supported in this way have been the Netball World Youth Championships held at WIS and more recently the bids for the Ryder Cup, World Junior White Water Championships (Canoeing) and the World Disability Swimming Championships.

3.70 The Assembly Government is now working on a new events strategy for Wales. The role of the Council in helping to achieve the aims of this strategy will need to be reviewed once it has been confirmed.

The National Centres

Plas Menai

3.71 In Stage 1 of the report we identified that there remained a need for the functions delivered at Plas Menai and that the centre should be maintained, but that the case for the continued involvement of the Council as the direct owner and manager is less evident. We recommended that alternative mechanisms that could deliver sources of funding and take on management responsibilities should be explored. In this second stage of the review we consider if the current operation of the centre is efficient and effective against existing operational objectives. Given that the need to implement change at Plas Menai has been identified as a lower priority at WIS, we have made recommendations that are relevant for the short to medium term.

3.72 The National Watersports centre provides training through the medium of courses. In 2002/3 approximately 70% of delivered course income is based on courses published in the Plas Menai brochure. Nearly two thirds of income is earned in the summer half year (April to September), but over a third is earned in the winter half (October to March). The split of income between weekdays and weekends is a healthy 75%:25%. Day and half day activities now represent about 1.5% of income but these are becoming an important way of involving community organisations and schools at attractive prices.

3.73 A marketing budget of £90,000 is 75% used in providing brochures in Welsh and English, advertising courses in watersports magazines and in funding the marketing officer. The balance is deployed in direct mail campaigns, production of flyers and posters distributed by governing bodies and by mail, market research and in promoting community usage and corporate events. We consider that good value for money is obtained from this spend against a clear marketing plan.

3.74 As was pointed out in Stage I of this review the usage of Plas Menai by the relevant national governing bodies of sport in Wales is relatively low. Nevertheless the relationship with them is close. The Welsh Yachting Association hold many of their meetings at Plas Menai and relationships with the Welsh Canoeing Association are also close with avoidance of significant duplication between Plas Menai and their national white water centre at Canolfan

Tryweryn. The Head of Coaching for canoeing at Plas Menai is employed by the WCA from funding provided by the Council. The closeness of Plas Menai to the key national governing bodies it serves was also confirmed in Stage I consultations. Beyond Wales Plas Menai plays a significant role in influencing the development programmes of UK national bodies – senior staff are involved, for example, in the concept of sailing training with the Royal Yachting Association.

3.75 The proportion of brochure based courses has grown over the years from a level of around 50%. This is important for financial performance since they tend to be run at better margins. The majority of non-brochure courses would involve either groups seeking discounts or clubs/governing bodies for whom price is a significant issue. A well thought out pricing policy is developed each year, supported by market research, with group discount and maximum discount levels set to keep Plas Menai competitive for training services. For the last five years undiscounted brochure prices have risen faster than inflation to assist with cost recovery. On the other hand, in order to reach new target groups, the centre is promoting courses outside peak times available to local schools at £10 per half day and local non-commercial voluntary groups from £22 per day (youth) and £30 per day (adult). Local groups and schools are also encouraged to seek funding from such sources as Community Chest and NOF.

3.76 Plas Menai has used a number of devices for spreading income across the year. In January facilities hired on the Costa Brava using the centre's own equipment make a valuable contribution. A recent partnership with Flying Fish has brought three week theory, safety and technical training to the centre preparatory to four months training in Australia. Corporate events can also help to fill available capacity. Facilities rented by Plas Menai at Pwllheli offer the possibility to expand day training work with the possibility of transporting much of the centre's equipment. This would be attractive for the Welsh squad at the competitive end of the range (in an open water environment), to local community work in South Gwynedd and Ceredigion.

Recommendation: The additional possibilities of Pwllheli should be investigated further by Plas Menai, especially as a source of low season income and a community development opportunity.

3.77 Staffing is kept very flexible in order to address the peaks in workload efficiently. There are only four long term coaches who are employed on five year contracts. In addition there are 12 coaches working on 9-11 month periods on annual contracts who tend to stay for some time with the Council – HR is presently reviewing all contractual arrangements to ensure that all are compliant with good practice. Plas Menai also offers one year training contracts to around eight young people per annum. A minimum of three places are reserved for local boys and girls who can demonstrate the required basic skill sets. Since they would tend to naturally be first language Welsh speakers, this is also seen as a way of increasing the richness of bilingual services on offer. They form a pool of talent from which to replenish annual contract coaching staff.

3.78 We also examined the overhead base supporting Plas Menai which breaks down into contract services and administrative services. The catering contract is currently with Sodexo but this is in process of being retendered as a result of concern over the rise in cost of the food element. The centre manager is consulting over the form of retender and is rightly being advised that it falls under the EU procurement directive. Grounds maintenance is on annually let contracts so that the market is tested regularly. Cleaning, at an annual cost of £70,000 has been contracted to a local provider for fifteen years. The manager believes he is getting a value for money service and has not seen retendering as a priority – his target is to recontract in 2004.

Recommendation: While dealing with the catering contract is clearly a priority, the cleaning contract should also be tested at the earliest opportunity – we would recommend that this be done in the 2003/4 financial year.

3.79 We have reviewed the staffing in the finance and administration area, handling buying, bookings, invoicing, reception and ancillary payroll issues. Staff are used flexibly across these areas and we judge that staffing is cost effective. The main comment would be the failure so far to implement a new booking system, although much research has been carried out. This would allow the production of more effective and timely management information, simplify accounting at Plas Menai and Cardiff and provide some capacity for the handling of new business.

Recommendation: The Plas Menai centre should proceed to selection of a system to interface with Sun financials with a view to implementing in 2003/4.

3.80 The other IT requirements of Plas Menai are generally well met in administrative terms. There are two important areas that need resolving, however. It is quite clear that the website needs of Plas Menai are dramatically different from any other part of the Council. If it does not develop the ability to accept bookings for courses on-line it will be at substantial disadvantage compared with competing sport centres and adventure holiday providers. This will require the creation of a secure website facility for the acceptance of payments which no other part of the Council needs. There is a very strong argument for creating a separate website for Plas Menai with two-way links to the Council website, and for a separate web management contract with providers who possess the appropriate security skills. We understand that this has previously been rejected by the Council on principle. A linked issue is the centre's understandable desire to undertake e-mail marketing activities.

3.81 The second area is in the provision of internet facilities for coaching staff to facilitate the creation of training material. The centre manager agrees with this but has not found a way of creating the facility via a separate network facility available for coaches at the centre that is consistent with the Council's internet access rules.

Recommendations: On good business grounds the Council should reconsider the decision not to create a separate linked website for Plas Menai and build a plan for a secure capability for the centre into its IT strategy. It should also review the facility needs for e-marketing. The centre manager and IT manager should work together with a view to solving the coach internet access issue in a way that is both cost effective and acceptable to the Council.

Welsh Institute of Sport

3.82 In Stage 1 of the report we concluded that there remained a need for the Welsh Institute of Sport to provide sporting facilities that specifically provide for and focus on the needs of elite athletes and Governing Bodies of Sport, particularly the smaller Governing Bodies. We recommended that the objectives, priority sports and functions of the centre should be clarified and clear outcomes identified. We concluded that for the short to medium term redevelopment and refurbishment of the existing facilities is the most realistic and cost effective approach. With respect to ownership and management the option of an independent company being established should be explored further and a planned approach to reducing the dependency of Governing Bodies on the Council and increasing their involvement in ownership and management of the centre developed. In this second stage of the review we consider if the current operation of the centre is efficient and effective against existing operational objectives.

3.83 The Welsh Institute of Sport provides facilities for hire and sporting activities and courses for a broad range of customers. Over the past twelve months average occupancy of the sporting facilities was 46%, with the key sporting facilities at capacity during peak times. Use by Welsh governing bodies of sport and elite athletes the priority, as demonstrated in table 3.2, with an upward trend in their total use over the past few years.

Table 3.2 Percentage of use by customer group

<i>User group</i>	<i>March 02 to February 03</i>
	<i>% of use</i>
Governing Body	25.47
Club	4.34
School	1.54
Public	10.42
Commercial	1.11
Sports Council for Wales	2.05
WIS	0.56
Recreation Sessions	1.0
<i>Total occupancy</i>	<i>46.49%</i>

Source: WIS management information.

3.84 In the year to date 60% of operational income has been generated by the dry facilities and pool, which is comparable to the previous year. Casual public use of dry sports facilities e.g. squash, badminton, weights, although not a priority for the centre, has continued to increase year on year. Use of the swimming pool has also increased for the past 2 years, although the year to date shows a slight downturn. Membership income is currently 18% up on last year. Income from catering and accommodation is equivalent to 27% of operational income in the year to date, however both services operate at a deficit once direct costs have been accounted for.

3.85 A marketing budget of £20,000 per annum is used to provide customer information in Welsh and English, such as the Customer Service Charter, and to encourage community and corporate use through direct mail and the production of promotional leaflets. A six monthly newsletter for members of the Centres is also published and the Centre's accommodation facilities are also promoted in the wider market place. Overall the level of resource for marketing appears appropriate, given the priority aims of WIS, and the fact that the Governing Bodies are a captive audience. The majority of their use of the facilities and accommodation is funded through a notional grant aid allocation that equates to a number of hours access to key facilities, which can then be block booked in advance.

3.86 At the current time only limited information is provided on the Council's main web site about the Centre and there are no on line booking facilities. We understand that the web site content is currently under review and that the opportunity to provide on line booking facilities is being considered. We would support that improvement.

Recommendation: Proposals to improve the web site for WIS should be implemented, including to provide booking forms for Governing Bodies.

3.87 Fees and charges are reviewed annually taking into account current circumstances and comparisons with other providers of accommodation and sports facilities. A straightforward pricing structure is used setting out charges for members and non members, plus concessionary charges for students and the unwaged at weekday off peak times and weekends.

3.88 With respect to operational standards and customer focus WIS has obtained Quest, the UK Quality Scheme for Sport and Leisure, and Charter Mark. The recent re-assessment for Quest looks likely to show improvement in the overall score for the Centre, putting it within the highly commended category. They are a BOA accredited centre for judo, table tennis and badminton. A Customer Service Charter is widely available in reception that sets out the objectives of the centre, the standards and targets that the centre seeks to deliver against and the customer complaints procedure. A bi-annual user survey is undertaken and customer satisfaction levels from the 2002 survey demonstrate a positive upward trend for most aspects of performance. A twice yearly meeting of the WIS advisory committee

(involving GB's) is held. We consider that this demonstrates a good commitment to the customer and to benchmarking their own performance against industry standards.

3.89 63 staff are employed at WIS, of whom 25 are part time, plus additional coaches and casual staff. The current structure has sufficient flexibility to cover major events and staff absences or leave. Staff turnover is generally low although there are a small number of vacancies currently. These are either not being filled or are being advertised as fixed term contracts whilst the future of WIS is decided.

3.90 Within WIS responsibility for the day to day management of the gymnastics hall has been transferred to the Welsh Amateur Gymnastics Association. A representative of WIS sits on the gymnastic user group. We consider that this is a good example of encouraging GB's to be self reliant, whilst still enabling some support and expertise to be provide through WIS staff.

3.91 We have also examined the administrative, support and contract services at WIS. Cleaning services with a value of approximately £135,000 were re-tendered in 2002 and are now operated by Mitie, an external contractor. Overnight security services are currently operated by Caxtons Facilities Management, who sub-contract the services, and were last tendered in 1999. It is not proposed to relet this contract until 2004 or at least until the implications of any closure of facilities for refurbishment is confirmed. However recent negotiations by Caxtons have resulted in a new sub-contractor being appointed which will result in a reduction in the annual contract fee. Energy contracts are regularly monitored and market tested. Systems are in place to ensure regular reviews of the service and communication between the management team and contractors.

3.92 The catering service was last market tested in 1995 and is operated by an in house team. The service is currently under review, particularly in relation to how it meets the needs of elite athletes and the requirements of being an accredited BOA centre, and because of the rising net cost of the service. New menus are being introduced in April 2003. Operational maintenance of the indoor facilities and maintenance of the outdoor pitches and immediate grounds are also undertaken by in house staff. It is considered that this enables greater flexibility in responding to the needs of the users and in the co-ordination of use of the facilities.

Recommendation: Key decisions relating to the future of WIS and its refurbishment should be taken by the Assembly and the Council as soon as possible to enable operational decisions to be taken within an informed context. Subject to the way forward selected, consideration should be given to the market testing of the catering and the overnight security contract.

3.93 Support services including personnel, invoicing for bookings, debt collection, payroll and administration are delivered through a combination of WIS staff and the Council's finance and HR departments. This appears to work effectively.

3.94 A computerized booking and management information system is used, which is compatible with the Council's Sun system, and provides the management team with detailed operational information on usage, income and expenditure to inform decision making about the service.

Local Development Services

3.95 The main areas of work within Local Development Services (LDS) are the development and implementation of sports development programmes, including advice and support provided to sports deliverers, plus the community grants schemes. LDS has 29 staff consisting of 1 director, 3 regional managers, 13 development officers, 7 grants officers and 5 full and part time staff with a mainly administrative role.

Sports Development Programmes and Partner Support

3.96 LDS provides general sports development advice to organisations as well as implementing its own initiatives. Key initiatives are currently: Dragon Sport; Disability Sport Cymru; Girls First and PE and School Sport. Training and networking opportunities are provided through regional and national meetings and seminars. These services and initiatives are supported and delivered through a combination of approaches.

3.97 Disability Sport Cymru is almost wholly outsourced, with funding being provided to the Federation of Sports Associations for the Disabled to manage and administrate the scheme, and local authorities receiving direct funding from SPORTLOT for development officers. Council staff have a good working relationship with the Disability Sport Cymru manager and link with the local authority officers when required, but they do not take a lead role in its delivery.

3.98 Disability Sport Cymru is perceived by key partners consulted as a positive initiative that is increasing opportunities for people with disabilities. Although a full evaluation of the impact of the initiative has not yet taken place, preliminary measures, such as the increase in clubs providing opportunities to disabled people, show a positive trend.

3.99 The approach to delivery of Disability Sport Cymru is a good example of how the Council can operate at a strategic level, identifying a key issue needing to be addressed and taking a lead on developing a solution with partners, but then working through others to ensure its management and delivery. This utilises the skills and knowledge of organisations better placed to deliver and enables Council resources to then move on to addressing other issues. This approach should be followed wherever possible, although we recognise that it relies upon suitable partners and funding for delivery being identified.

3.100 For PE and School Sport the Council has seconded 1 officer to lead on the implementation of the PE and School Sport action plan. The work that is being undertaken is delivered through local authorities and schools and is overseen by a national implementation team and the projects advisory committee, consisting of education and sport representatives. For Dragon Sport the Council directly employ and manage a team of 3 staff. These staff act in an enabling and supporting role, although actual delivery of the initiatives is taking place through other partners e.g. Dragon Sport Co-ordinators in each local authority, and through the schools.

3.101 Having specific officers with these responsibilities enables a high priority to be given to the initiatives and the support and advice from the officers involved is valued by partners. Both initiatives, although at different stages of their development, are increasing sports opportunities, standards of sports instruction for young people and levels of participation. However, it is important that where this approach is taken that the Council considers its longer term exit strategy and builds in appropriate action to develop the skills and experience of others.

3.102 One point to note is that whilst this approach relieves the Council from too direct a delivery role, it does place pressure on other partners, in particular local authorities and schools. Whilst partners value the initiatives and recognise that funding has enabled new post holders to be appointed, some smaller authorities have commented that they have found it difficult to accommodate the expectations of the Council and to deliver the outcomes required. There is no immediate solution to this, other than to recognise the constraints that other partners also work within and to manage the number of initiatives they are being asked to support at any one time.

3.103 The third approach to delivery by Development Services is through the regional teams. Each region has a regional manager and 3 or 4 development officers who have broad development and advisory roles, supported by 1- 2 full or part time administrators. They encourage and support the implementation of the full range of Sports Council policies,

initiatives and funding schemes at a local level through local authorities in particular, but also through Governing Bodies and a range of other sporting and community organisations. They also provide regional training and networking opportunities.

3.104 Consultation with local partners identified that the majority consider that the regional staff operate effectively and are well informed. It is clear that regional staff build up local awareness and knowledge and good working relationships with most key partners, enabling appropriate local solutions to be identified.

3.105 However, it is also evident that staff resources within the regions are stretched and that partners' expectations in respect of the Council providing them with advice and support cannot always be met. With many opportunities to be taken and issues to be addressed it is important that regions are very clear on their priorities and communicate with partners about where their priority support will be given. The Council is prioritising work towards young people, women and girls, areas of low participation and disability sport, although each of these areas has the potential to absorb significant resource.

3.106 The planning process that regional development officers go through with local authorities does assist in understanding the priority work areas of each local authority, thus enabling the Council itself to make better decisions as to where they should provide the greatest support. We are clear that some staff resource has been prioritised to work in areas of greatest disadvantage, although it is evident that much more will need to be done to ensure inclusive opportunities across all of Wales. Expanding the Council's work in this area also requires different skills and knowledge, which the Council need to recognise and address, both directly and through partnerships with other sectors.

Recommendation: The Council should critically examine the current workloads and skills of regional and central staff and robustly challenge: a) if the current staff resource is sufficiently focused on working in the areas and on the issues of greatest significance b) if the balance of resource between central support staff and the regions ensures that resources are being allocated to the areas where the greatest impact can be achieved. c) if the current skills and knowledge of the staff require enhancement via training, particularly related to linking in to the wider community development and regeneration agendas d) if sufficient attention is being given to enhancing the skills and capacity of other organisations (see section on the recruitment, training and support of volunteers and professionals) and on advocacy (see earlier section).

Recommendation: Each region should produce an annual prioritised work plan identifying those areas and organisations that will receive more, and potentially less, support and ensure that it is clearly communicated to staff and partners.

Community Grants

3.107 The Council is currently operating 12 discrete grant schemes, funded from SPORTLOT and the Council's grant in aid:

- ❑ Governing Body Development Support
- ❑ Coach Cymru
- ❑ Elite Cymru
- ❑ Sportsmatch
- ❑ Clwb Cymru (being phased out)
- ❑ SPORTLOT Capital Grants
- ❑ SPORTLOT Community Chest
- ❑ SPORTLOT Minor Grants
- ❑ Local Sports Development Grants
- ❑ Girls First
- ❑ Overseas Expeditions
- ❑ Sports Safety Grants

3.108 The previous section contains recommendations related to Governing Body Support, Coach Cymru and Elite Cymru. Sportsmatch is included within the section on corporate services. The remaining grant schemes considered in this section are mainly focused on increasing participation and opportunities among the community. Most of the grants are accessible to all applicants subject to their ability to meet the necessary application criteria.

3.109 The role of DS includes the development of new or improvement of existing grant programmes and application processes, raising awareness among potential beneficiaries of the grants available, provision of applicant advice, assessment of applications and monitoring of a sample of projects. This work is delivered through the DS Director, regional development officers and managers and the grants team based at Cardiff. Technical expertise is held within the grants team, with the development expertise within the regions. The split of roles between the two teams appears to be an effective way of operating at the current time. The level of resource in the grants team includes an additional 2 support officers to assist with the Council's role in relation to NOF. This appears sufficient, although the volume of work related to NOF is forecast to increase and is likely to stretch resources in the future.

3.110 For the past couple of years the Council has had in place a process whereby potential applicants for capital or revenue funding for sports development projects complete an initial funding enquiry form, available in hard copy from regional offices and key partners such as local authorities, and more recently from the Council's web site. This is a straightforward form that requires limited information from the applicant organisation. Once submitted to the regional office development officers assess the information provided, and contact the applicant if required, in order to establish if it is likely to meet the criteria of any of the funding streams available, and if so to provide the potential applicant with information and an application pack for the grant scheme that is suitable. This approach appears to work well, both as a means of ensuring applicants apply to the appropriate fund but also to help prevent wasted effort on applications that do not meet the criteria for any of the funds or that are likely to be considered a very low priority.

3.111 There is a one stage application process for all community revenue grants, although until the beginning of this year different application forms had to be completed for each scheme. In January 2003 this was streamlined so that one standard Minor Grants application form exists for Community Chest, Local Sports Development Grants, Minor equipment grants and Club Cymru. The ceiling for grants that can be submitted has also been raised to £10,000. Although this is only just being implemented and has not yet been promoted, it is likely that this will be a positive improvement for potential applicants enabling them to complete just one form for small scale projects and leaving it to the Sports Council to establish the appropriate funding scheme. It is not yet clear if this will present any difficulties for the Council in allocating applications to different funds, or how an imbalance in the type of applications will be dealt with if it should arise.

3.112 With respect to SPORTLOT Capital grants a two stage process is in place. An initial stage one application form is completed which requires a reasonable amount of information about the potential project, but does not require detailed sports development or business plans or any technical input. For projects considered to be a priority support may be available from the Sports Council's regional development officers, if it is not available from any other source. Once submitted the application is assessed within the region and either rejected or given an "amber light" indicating that it is likely to be supported subject to the applicant meeting the second stage criteria and providing all of the information required. At this point the project is handed over from the regional team to the grants team, who are able to provide a constant point of contact and advice on the business planning and technical aspects of the scheme. This two stage process appears to be an effective way of working with projects, enabling appropriate levels of support to be given to priority schemes.

3.113 The two stage process was generally supported in our consultation. However two issues have been identified as potential areas for improvement. The first is that applicants submitting an initial enquiry form, who then have to complete a first and second stage

application, may feel that they are required to complete 3 applications. The second is that there remains a concern among some consultees that the application process is still overly bureaucratic and long winded. Some felt that that at stage one too much information is required and that at stage two the process can take as long as 10 months due to the detailed project, business and sports development planning expected. We are aware that the Council is currently looking at these issues and would support in particular further improvements to the first stage of the application process.

Recommendation: The Council should complete its review of the first stage application form and seek to reduce the level of detailed information sought.

3.114 In addition to the standard approach to SPORTLOT, the Council has also adopted a more flexible approach to working with schemes within priority areas of deprivation. The SPORTLOT social inclusion in sport fund supports applications from the 100 most deprived wards in Wales and from Communities First areas. Examples of projects that have been funded include the Aberbargoed Leisure Centre project in Caerphilly and the Holyhead basketball initiative. In addition, through the proactive involvement of a Council officer the Council has sought to increase investment in sport in local authority areas that have received limited SPORTLOT funding to date. In summary, the applicant organisation is not required to submit a standard stage one application and is given a high level of support to submit at stage two. This approach has been successful in the areas targeted to date and represents a positive way of working where more traditional approaches have failed.

3.115 These initial projects demonstrate what can be achieved, but have been very time intensive. At the current time the Council does not have sufficient staff resources to quickly achieve similar progress across all disadvantaged areas. It is therefore important that it has a planned approach to what can be achieved, where the priorities are and to working with other agencies to achieve greater investment. This needs to include identification of how the approach and lessons learnt can be shared with the other agencies and professionals who operate at a delivery level. Cross sector support from Assembly departments will be required to make a significant difference.

Recommendation: The Council should confirm the priority Communities First areas that it will work with over the next 2-3 years and the Assembly should seek to work with the Council to facilitate improved cross sector working and investment in sport in these areas.

3.116 The Council has also taken a proactive role over the last few years in identifying the need for sports facilities of national significance and in then working with partners to develop, fund and implement the projects. Over the last few years major SPORTLOT projects including the indoor athletics facilities at UWIC, the Indoor Cricket Centre in Cardiff and the Velodrome in Newport have all been completed on time and within budget. Within the Council there is a view that SPORTLOT has delivered better value for money in the delivery of both community and high performance facilities than other Sports Council's in the UK. Whilst basic comparisons of the costs of apparently comparable facilities would seem to give some credence to such a claim, there has been no robust evaluation of the full range of factors, including those related to the quality and ongoing maintenance costs of such facilities, to enable such a claim to be substantiated.

3.117 The assessment of small revenue grants is undertaken by regional development officers with delegated decision making for awards of less than £3,000 to the regional managers group. This delegation for minor grants appears to work effectively.

3.118 Regional officers are also responsible for assessment of stage one capital bids prior to submission to panel. The process followed is an initial assessment by an individual officer followed by a review of all the potential applications and recommendations for support by the regional managers. The regional officers who make the initial assessment may in a small number of cases have been providing active development support to the applicant organisation. At stage two assessment is undertaken by the grants team, who are also

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providing advice. The involvement of development officers as both helper and assessor has the advantage of consistency and a detailed knowledge of the project being held, but may also mean that the individual concerned may not place that project within a wider and more objective context and could place the individual in an awkward position with the potential partners if the application is unsuccessful. The current approach does however appear to be working reasonably well. To strengthen it further where proactive support is being provided to the project, a robust challenge from regional colleagues on the project before the application process is concluded could be considered.

3.119 The four SPORTLOT panels: National, South West, South East and North, make decisions on all SPORTLOT funding above £3,000, except Community Chest. The forums on Social Inclusion and Women and Girls Sport can make recommendations, but do not have delegated authority for grant awards. Decisions on capital grants of up to £250,000 are taken in the regions, with anything above that going to the National Panel. It would appear that this occurs even when the scheme may not be of national significance.

Recommendation: The Council should review the procedures for decision making at a national and regional level with a view to delegating decision making on all projects that are not of national significance to the regional committees. This will need to be set within a national framework that reflects the overarching strategic priorities for sport in Wales.

3.120 An issue that came through in the Partners Perception Survey of 2002, and that was also raised by a minority during our consultation, was that decision making within the Council, and particularly related to SPORTLOT, is not seen as transparent. Inevitably this is felt most by those whose projects or funding applications may not have been supported. Although we believe that feedback is being provided to unsuccessful applicants there still appears to remain some suspicion over how decisions are reached. There are also concerns that the Council's local assessments and regional/national assessments are not always well coordinated. This is an area that we would recommend is examined further by the Council.

Recommendation: The Council should undertake further consultation with partners to identify how issues related to transparency of decision making could be addressed.

3.121 With respect to Community Chest, each Local Authority has a Community Chest Committee consisting of representatives of the local authority and a range of other local sports and community groups. The Local Authority Grants Officer (LAGO) is responsible for the administration related to grant applications and Committee meetings and will act in an advisory capacity to the Panel. The Committees have decision making responsibility for grants up to £750. Clearly stated procedures govern the work and decisions of the LAGO and Committee. A minority of local authorities commented on the high administrative workload associated with the scheme, and on the high standard of application expected by Committees for relatively small amounts of funding. However across a range of organisations there is very strong support for the Community Chest approach, and a clear majority view that it operates effectively. Community Chest has been identified outside of Wales as an example of good practice in devolving decision making to a local level.

Central Services

Finance

3.122 It is clear that the quality of finance services has improved over the last eighteen months following the appointment of the existing Director Finance who is on secondment from the National Audit Office. In particular the appointment of a Financial Controller has led to an improvement in cost monitoring reporting. Effort has also been put into reviewing financial processes, addressing problems on the implementation of Sun financial systems, setting up a risk assessment framework and providing a more comprehensive service to the Audit Committee.

3.123 The service is supplied by six staff working to the Director Finance, providing a full finance service for the Council as well as a bookkeeping and reporting service for the two National Centres. As noted in the section on Plas Menai the accounting could be simplified with the implementation of a booking system integrating with Sun financials. A significant workload is driven by the revenue and capital grants service that requires the processing of significant volumes of small transactions. The structure has been reviewed by the Director Finance as part of an overall exercise of investigating the level of service required and the controls in place around transactions. Overall we believe that the resources in place are appropriate to workload.

Corporate Services

Research and Evaluation

3.124 The research and evaluation function is delivered by the Council's internal team and through tendering external research contracts. Under the Research and Evaluation manager the staff structure consists of 4 research and evaluation officers, an information officer and an administrative officer. In addition some monitoring work, in particular related to SPORTLOT funded projects, is undertaken by regional managers and development officers.

3.125 The Research and Evaluation Strategy 2002/04 identifies the objectives of the service as "to provide a sound information base for the development of strategic policies and a mechanism for the monitoring and evaluation of existing policies". A planned programme of research, monitoring and evaluation has been identified for 2002-2004. The internal programme consists of evaluations of core programmes such as Dragon Sport and Club Cymru, SPORTLOT monitoring work and one off training or event evaluations. The section also represents the Council with respect to planning and countryside and water recreation issues, and provides information for the public and staff through the information centre. The external work consists of the larger research studies such as the adult and young people participation surveys plus surveys that inform the Council about its own performance such as the partner perception and WIS user survey.

3.126 Although monitoring and evaluation can be time intensive, we consider the human resources within the section to be sufficient to deliver the workload and manage a combined approach of internal and external delivery.

3.127 It is clear that the internal evaluations are being used to inform future plans and to shape programme development, although there is potential to improve the approach to include greater evaluation of the impact and wider social outcomes of initiatives and to disseminate the information collected (both good practice and lessons learnt) to a wider audience.

3.128 The Council has sought to provide some relevant research information to partners, for example the "Fitter Wales, Healthier Nation" publication in 2000 outlined the broad social, economic and health benefits of sport, although it contains only limited evidence to back up the claims. The participation data provided at a local authority level every two years is valued by the authorities themselves and is a useful tool to for the regional development officers working in each area. Notwithstanding the importance of collecting such data, it may be appropriate for this research to be undertaken on a less frequent cycle to release resources for other equally significant work to be undertaken.

3.129 There is not a clear evaluation framework that identifies how the research and monitoring undertaken by the section ensures that the priority outcomes are measured – whether sporting, social/economic or business outcomes. This in itself means that the case for allocating resources for the purposes of monitoring and evaluation is not well made. There has been no attempt to collect research data that will demonstrate sports contribution to the wider Assembly objectives, and the staff that we spoke to do not see that as their function. We are not aware of the Council taking positive action to encourage funded

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partners to collect data and undertake research work that will help to build the evidence base for Wales. Limited qualitative research is built in to the evaluation process. We understand that there is no regular contact with other Home Country Sports Councils on research matters, which would provide an opportunity to share ideas and information and if appropriate to jointly undertake some research of mutual benefit.

3.130 Appropriate budgets do not appear to have been allocated by SPORTLOT to enable qualitative research to take place. The current approach to monitoring utilises regional officer time that could be utilised for development activity.

Recommendation: Further consideration should be given to the budget allocated to research and evaluation for SPORTLOT funded projects and to contracting out the monitoring of SPORTLOT funded projects. This should include some qualitative research.

3.131 It does not appear to be standard practice to disseminate good practice and lessons learnt from the findings from monitoring of programmes or SPORTLOT funded projects, although the recent good practice guide for Dragon Sport development officers demonstrates that this can be achieved. The Council's web site is one approach that could be utilised to facilitate access for a wider audience.

Recommendation: The Council should undertake a fundamental review of the priorities and objectives of research and evaluation. Particular attention should be given to development of a robust evaluation framework for sport that will incorporate collecting and disseminating the evidence to demonstrate the value of sport in Wales in conjunction with Welsh and UK partners, and good practice.

3.132 Recommendation 3.9 in the earlier section on Performance Measurement is also relevant to the review of research and evaluation.

3.133 The Information Service also forms part of the Research and Evaluation service. It includes the information centre reference library, information provided through the web site (although its management sits within the marketing section), published materials and database management. Located at WIS it is supported by two of the staff team and a small operational budget. The Information Services Strategy for 2002-2006 refers to an information and awareness raising role and to use by staff, the general public and other organisations. It identifies a number of issues to be considered and a summary work programme, but does not set out clear objectives or targets for the service, or clarify who are the priority audiences. It is not evident that an evaluation of the continued need for the Council to be the direct provider of all aspects of the service has been undertaken.

Recommendation: The Council should confirm the objectives and priorities of the information service and review its effectiveness in meeting user needs. Alternative options to the role of the Council as the direct provider of aspects of the service, for example database management, should be explored.

IT Services

3.134 Services are provided to all departments based at WIS and to Plas Menai as well as to the Carmarthen and Deeside regional offices. Under the IT Manager staffing comprises a network administrator, a programmer and a helpdesk administrator. In addition there are two work experience placements from relevant university courses. Progress has been made over the last two years as the Council has switched across to a Microsoft based office environment – staff consultation in stage I revealed improving satisfaction with the IT support available. Speed of access to the regions has improved with an intention to do more when Broad Band Wales becomes an effective service. Website maintenance is contracted out and is fully funded by the marketing department. Document scanning and management is not currently available but is under investigation by the department.

3.135 The design of the Council's website has recently been revamped with a larger and more useful base of information with a search facility and links to a wide range of partner organisations. The design is controlled by marketing department and technical support is outsourced via IT services. In the section on Plas Menai we comment on the need to provide e-commerce capabilities for this part of the Council's operations.

3.136 The development priorities for the Council's information systems are clearly prioritised in the IT strategy. In August 2002 5 high priority, 6 medium priority and 3 low priority targets were agreed. The largest high priority project is the implementation of the GIFTS database that will pull together at corporate level all the grants and development information currently held on a variety of databases and spreadsheets around the Council. This will ultimately support much more transparent reporting of a whole range of activities on the basis of common key fields across the Council. This will be a very large project involving not just the implementation of a new application, but also the agreement of data architecture across the Council, the cleansing and amplification of existing data history and its controlled transfer into the new environment.

3.137 We conclude that the level of resource in IT services is appropriate to the Council's needs and that the range of targets in the strategy, especially the implementation of GIFTS, is likely to stretch these resources significantly.

Human Resources, Registry, Records

3.138 All these areas fall under the management of the HR Manager. They include 2 FTE working on personnel matters, a stationery and records officer and three people working in registry services. Registry services includes operation of postal services, reprographic services, contracts recording and pool cars.

3.139 Much of the efforts of the HR Manager have been spent on the improvement of HR procedures and practices to improve the quality of recruitment, training and assessment and related recording processes. The reward for these efforts was the winning of Investors in People status which has recently been reconfirmed. Improved processes do carry an administration cost – nevertheless we consider that current HR manning is towards the upper end of expectations given that the payroll processing is carried out in finance. In terms of registry and records there has not been a detailed review of activities for some time and it is precisely these kinds of operations that would benefit from the application of an efficiency programme as recommended in the governance section below.

Recommendation: The Council should carry out a detailed review of HR, registry and records sections to confirm that the level and structure of staffing is appropriate to its needs now and in the future (especially in the event of major changes at WIS).

Secretarial Services

3.140 All secretarial support is retained in one unit that provides secretarial support to Directors and senior managers as necessary and also provides support to the Council and its Committees as well as a series of panels associated with Sportlot, Sportsmatch and other funding issues. This group involves five full time and two part-time staff, though one of the full time staff is retiring and the senior management team is considering whether the post should be continued.

3.141 There is little evidence that the workload of this group has been analysed in recent times to establish the requirement and what mix of staffing and use of agency staff might best meet the needs. There are clearly issues of continuity that may make the use of in-house staff more desirable for some aspects of the work, but without the basic analysis it is very difficult to form a judgement.

Recommendation: The Council should carry out a review of the activities of the secretarial group to ascertain the best mix of staffing to deliver the support needs with a view to the cost effectiveness of the operation. As part of this review the current practices supporting the individual committees and panels should be scrutinised. The review should also be used as a means of deciding how this area of work can be best managed in the future.

Marketing and Public Affairs

3.142 There are 7 members of the marketing and public affairs team: 1 manager, 2 marketing and public affairs officers, 2 press officers, the Sportsmatch Officer and the Webmaster. The majority of services are delivered by the in house team although the Sponsorship Advisory Service is contracted out and used as required to seek sponsorship for key Sports Council schemes and initiatives. WIS and Plas Menai have additional marketing resource.

3.143 The latest marketing strategy for the Council was produced for the operational year 2000-2001. Its main aim was to develop a clear corporate identity and to raise the profile of the Sports Council for Wales. This continues to be the primary objective as set out in the operational plan for 2002-2003, although there is also a secondary emphasis placed on gaining recognition for the good work of the Lottery in Wales and ensuring that the Council is recognised as a distributor of Lottery funds. Raising the profile of individual schemes and improving internal and external communication are also stated objectives.

3.144 Raising awareness of the benefits of sport and of sporting opportunities are not a stated objectives for the marketing service, although by default much of the work that it does, for example around women and girls sport, contributes to this aim.

3.145 A range of marketing tools are used by the Council including developing media relations, publications and printed materials, the website and attendance at exhibitions. The section has had some success in key areas, for example general press coverage and coverage of women and girls sport has increased and the promotion of Sportsmatch means that the fund is now oversubscribed. However without a coherent marketing strategy identifying key outcomes to be achieved, and appropriate measurement of the impact of the different approaches, it is difficult to establish if the service is fully effective.

Recommendation: The Council should produce a new marketing strategy once key decisions have been taken as to the strategic direction of the Council and its services. Any future plan should be explicit about how the marketing aims and tools used will contribute to the strategic and business objectives of the Council and should incorporate the advocacy plan as outlined in recommendation 3.19. An action plan should be produced and performance reviewed on an annual basis, including to assess best use of available resources.

Central Services Overview

3.146 In terms of a high level view of the central service areas it is not clear that there is a justification for two central services directors on the senior management team. Taking regard of the role carried out by the Council this could be seen as being out of balance with the two operational roles that comprise National Development Services and Local Development Services. Research and Evaluation serves the corporate planning process but is clearly operationally vital and could just as easily sit within an operational environment. In a small and tight management team, the arguments for isolating the research and development function from operations does not have the strength it would carry in a large organisation. Marketing already has a direct reporting role to the Chief Executive.

3.147 The links between finance and corporate planning are also very strong and, especially since the appointment of a financial controller, there are strong arguments in favour of combining the responsibilities for finance, corporate planning and administration services with

appropriate oversight from the Chief Executive. It is also a good opportunity to review the mix of skills needed to manage this area.

Recommendation: The Council should review the structure of its senior executive functions in the areas covering corporate services with a view to combining functions with significant synergies and clarifying service reporting lines.

Implications of New Strategic Directions

3.148 In Stage I of this report we discussed the strategic background for the work of the Sports Council for Wales. In this report we discuss the criteria on which the funding of sports in Wales may be prioritised in the future. The changing agenda envisages a whole set of possible major changes which would impact on the Council in a more fundamental way than in the issue raised in the previous paragraph. These may include:

- ❑ The conversion of WIS into an elite-only facility
- ❑ The possible movement of Plas Menai into a different structure
- ❑ Potential shifts in the strategic focus, e.g. into the health and social welfare fields
- ❑ Potential significant reprioritisation of funding for Welsh sports and for elite athletes

3.149 The implementation of one or more of these types of changes would place questions on the resource levels and skills needed to deliver services, and whether these would be within or working in partnership with the Council. The fundamental structuring of the Council would also come into question at this stage.

Recommendation: Following completion of a revised strategy for sport in Wales, it is essential that the strategy of the Council is revisited and that the resource and organisation structure needed to deliver the services required are reviewed.

4. Addressing the Priorities of the National Assembly for Wales

4.1 In her remit letter for 2002/3 to the Council the Minister for Culture, Sport and the Welsh Language laid out a series of both hard and soft targets that she expected the Council to deliver. The hard targets are summarised in the following table:

Performance Area	Target	Forecast Actual
Limit on cash budget	£8.678m	£8.678m
Limit on running cost budget	£1.047m	£1047m
Additional funding to governing bodies	£197,000	£197,000
Increased use of National Centres by governing bodies per annum	200 hours	Basis of measure has moved but increases are apparent
Increase in schools in "Girls first" scheme	70	50*
Increased funding & publicity – Women & Girls programme	£100,000	£100,000
Additional funding – Chwarae Teg	£10,000	£10,000+
Additional funding – Boys & Girls Club/Urdd	£30,000	£30,000
Additional funding – Child Protection Post in Welsh Sports Association	£20,000	£20,000
Redevelop website/extend marketing initiatives	£15,000	£15,000
% 7-11 year olds involved in extra-curricular sport	80%	81%*
Sportsmen/women achieving British representation	320	Not yet available from NGBs*
No of primary schools where Dragon Sport established	600	620*
Implemented action plans for Clwb Cymru	323	Plan abandoned following review
Grants distributed via Community Chests	1200	1200*
Schools with developed extra-curricular activities for girls	180	160*
Increase disability-specific and pan-disability clubs by 30	30	44*
% of gov. bodies of competitive sport achieving self-sufficiency	90%	88%*
Coach Cymru coaches supported	35	35*
Hours gov. bodies access to WIS	20,000	20,000*
Student days access to Plas Menai	17,500	20,000
Elite Cymru athletes supported	140	190*
Funding provided for golf development	£400,000 incl lottery funding	£400,000
Sponsorship generated through Sportsmatch	£405,000	£405,000
Apply funding to "PE and School Sport Task Force – Action Plan for Wales"	£500,000	£500,000
Greater acknowledgements of links between Council and Welsh Assembly Government	Review branding	Ongoing

* Source – Operational Plan 2002/3: Six Month Review

+ Source – Management accounts

Other items - Source management forecast

4.2 The items requiring comment are:

- The cash budget is arrived at after adding the following:
 - Cash limit per para 1.3 of remit letter 7.958
 - Additional funds approved per para 1.4 .650
 - Subsequent funding agreed for Football Forum .070
- Running costs are arrived at by removing £167,000 from the £1.210m quoted in the remit letter in respect of pay increase provision not related to running costs
- Accurate assessment of British representation is dependent on returns from the governing bodies that are not yet available. The Council believes that the target will be achieved.
- Clwb Cymru has now been wound up as a separate project following its unfavourable review against outcomes in the early part of 2002. The scheme has now been reintegrated into club development work.
- Branding work is ongoing. The Council is discussing how it meets the requirements of DCMS and the Welsh Assembly Government in finalising a branding strategy.

Plan for Wales 2001 and Culture Strategy

4.3 The remit letter requires the Council to pursue its work within the context of the Plan for Wales. At Appendix F we include the document dated January 2003 in which the Council places its work at that time within this wider context and within the context of the Culture Strategy for Wales. This is a fair summary of the responses to these documents by the Council, though we would take issue with the effectiveness achieved in liaison with partner organisations in carrying forward these agendas.

4.4 The Council's national focus was stated as:

- Supporting and developing governing bodies of sport;
- Supporting the development of national coaching standards;
- Assisting talented sportsmen and sportswomen to fulfil their potential;
- Delivering a golf development plan for Wales;
- Supporting and encouraging financial investment and the support of business and industry in the development of sport in Wales.

4.5 On the first three of these there is ample evidence of the work done by the Council to support amateur sports. The major professional sports tend to see the Council as a peripheral organisation and, as noted in stage I of this review, a clear strategy of the role of the Council in relation to professional sports in Wales is needed to address this. More specific plans than those put forward in the Corporate Plan have since been put forward on the development of quality coaching in Wales. The Plan for 2003/4 – 2005/6 put forward bids for £1m in 2003/4 and £2m in each of the two subsequent years. This puts forward a series of relevant outputs but provides insufficient evidence of quantified outcomes and of how the methods of delivery will achieve these.

4.6 The Council is encouraging the Welsh Golfing Union to produce a strategy – it is clearly important that this is developed and owned by the national governing body. Relationships between the Council and the WGU are close and support extended by the Council is acknowledged.

4.7 On the final point the activities of Sportsmatch Cymru continue to attract significant funds into sport in Wales from sponsors by matching sponsorship funds attracted (£405,000 anticipated in the year 2002/3). However, sponsors tend to be approached by individual sports or other partners of the Council, not by the Council itself. On the broader agenda of gaining the support of business and industry in the development of sport in Wales the impact of the Council is less easy to see. Beyond the effects of general publicity around the projects that the Council is involved with, it is difficult to see an agenda of engagement with business and industry.

Education and Lifelong Learning

4.8 The remit letter raises this area as one where the Council has an important role to play. Work in schools has been prioritised by the Council, and the early emphasis has been on work in primary schools. This focus is now moving more to the secondary sector with an additional focus on participation by girls. The worrying aspect of the Council's response to this agenda item is the absence of a clear stance in relation to higher education/further education at a time when student numbers are rising rapidly. Also it is very clear that the Council's strategy is to focus funding at younger age groups in order to establish a lifestyle agenda that will have the effect of increasing participation. This means that there is not a focus of resources on sports participation by older age groups within the population. Budgetary limitations are quoted as the reasons for not producing clear plans for these areas.

PE and Sport in Schools

4.9 This agenda includes two main activities:

- ❑ Implementation of "PE and School Sport Task Force – Action Plan for Wales" for which a separate funding stream is provided by the Welsh Assembly Government.
- ❑ Provision of development support and technical advice to New Opportunities Fund (NOF) for the work they are funding in this area.

In the case of the first a coordinating appointment has been made and the funding stream is being applied. In the case of the NOF work the effectiveness of the Council's role is difficult to judge at this early stage. Success will be measured in the extent of complementary developments achieved through NOF in pursuit of overall objectives for the development of sport in schools in Wales.

Inclusion and Community Regeneration

4.10 The Council is taking action to prioritise resources and funding to areas of deprivation and to groups that are under represented in sport, including people with disabilities and women and girls. The Social Inclusion in Sport initiative within SPORTLOT for areas of deprivation and disadvantaged groups enables schemes to be up to 100% funded by the Council and will also take into account costs related to the development of the project. Since 2000 SPORTLOT capital has funded both capital and revenue projects that target the priority groups and that are located within the 100 most deprived wards in Wales, many of which have been assisted with their development by Council staff. Funding to Blaenau Gwent and Merthyr Tydfil, formerly receiving very low levels of SPORTLOT investment, has now been significantly increased through a more proactive approach by the Council with partners. The approach to funding in areas of deprivation has been flexible and has recognised the contribution that can be made in getting people active by both traditional and alternative sports, such as BMX and skateboarding.

4.11 However, the nature of the work being addressed by the Council at present with its time implications for staff and the long lead in time from start to completion of such projects, is a reflection of how difficult it will be for the Council to pursue this area as lead agency. In paragraphs 3.114 to 3.115 and in Stage I of this report we have identified that there is a need for greater cross-agency working and for the Assembly to work with the Council to tackle both this area and the area of improvement of community health through sport.

Community Strategies

4.12 As stated in the remit letter, local authorities carry the leadership role in this area. Our view is that where authorities have vigorously pursued their role in this regard, the Council has been very supportive – Swansea would be a good example. Where this level of commitment is not present far less has been achieved. The improvement of contacts

universally at senior officer level would put the Council in a better position to understand the position of different authorities on this area of work.

Partnership

4.13 Section 8 of the remit letter makes clear the importance laid by the Assembly on effective joint working of all public bodies in terms of forward planning and coordination of effort for the greater good. It also make very clear the desire of the Welsh Assembly Government to work in partnership with local authorities and public bodies.

4.14 From the section on advocacy (above) it will be clear that we consider that joint working with other public bodies leaves room for improvement. It is also clear that relations between senior executives of the Council and the sponsoring Directorate are civil but not of a degree of warmth likely to promote effective teamwork. While the greater focus on Wales provided by the Assembly provides a clear opportunity to work on a number of issues, we do not see the degree of openness to changing agendas needed to capitalise on it. The Council is no longer in a position where it has to rely substantially on its own initiative and changes are needed to embrace new partnering opportunities.

The Voluntary Sector

4.15 The Council engages significantly with the voluntary sector through national governing bodies of sport and through local clubs. The work of Community Chests also brings it into greater contact with them. The Council follows the laid down Code of Practice in dealing with them through the administration of a significant number of capital and revenue grants.

Good Housekeeping

4.16 These issues are looked at more closely under the governance section below. We believe that the controls and administration of the Council are good. However, a number of breaches of the Financial Memorandum were detected by the external auditors. Actions have been taken to prevent their recurrence. There is also an identified need for a clear efficiency framework within which the Council could provide better assurance on value for money.

Conclusion

4.17 In terms of meeting the specific targets included in the remit letter, the Council's performance has been generally good. There are some strategic areas that need to be reviewed in the light of changing policy needs - this would apply particularly to inclusion/regeneration issues and to the lifelong learning agenda. The most worrying area flowing from an assessment of the meeting of the needs of the National Assembly for Wales would be in the shortfalls in the effective partnerships with both other public bodies in Wales and with the sponsor Division.

Responses to the Broader Agenda of the Welsh Assembly Government

Sustainable Development

4.18 Within sport itself the Council has made a considerable emphasis on sustainability. In terms of SPORTLOT capital funding in particular, the approving committees have looked closely at the operating arrangements and have sought reassurance that financial arrangements will be sufficiently robust to ensure successful ongoing operations. This is normally done either through a critique of financial proposals or in ensuring the support of a major player such as a local authority.

4.19 In terms of national sport facilities within Wales the Council has also championed the cause of encouraging the creation of facilities for amateur sports at a limited number of locations that meet the need of elite athletes in Wales and provide for an appropriate level of access. The Council also has policies on the creation of appropriate facilities on a regional basis within Wales in order to play its part in the provision of sports facilities as an element of Welsh regional development – some steps have been made in this direction but there remains much to do.

4.20 The sustainability of the Council's sports development initiatives is more difficult to establish, not least because each programme has different outcomes, but is at the heart of what the Council are seeking to achieve. Those that are seeking attitudinal or behavioural change rely on the learning from the original initiative being taken on board by the future providers of sport. An example of this would be Girls First, where it is anticipated that the expectations of the girls themselves and the future approach to the provision of opportunities for girls within schools will have been influenced. Other initiatives, such as Dragon Sport, include the recruitment and training of local people as volunteers and coaches who can then continue to operate the activity or club (usually on a voluntary basis).

4.21 Where a longer term approach, such as the continued provision of a development officer may be required, placing a time limited funded post within a potential mainstream funder e.g. local authorities relies upon the fact that the impact that they make will encourage the local authority to fund that post when the programme funding stops. Some of the recommendations made earlier in the report, including those related to advocacy, education and training and the sharing of good practice, will contribute towards the success of these approaches.

4.22 Revenue funding through grant schemes such as Community Chest and Local Sports Development Grants are very clearly about enabling locally led initiatives to develop and expand, with a view to creating sustainable sporting infrastructures at a community level.

Equal Opportunities and Social Disadvantage

4.23 We have commented in more detail on the SPORTLOT Social Inclusion in Sport initiative in 4.10 above.

4.24 Equal opportunities and equity in sport underpins most of the Council's work. Increasing participation, particularly among those who are under represented in sport, is a priority objective and all projects funded by the Council are required to demonstrate how they will ensure equity in and through sport.

4.25 The Council has prioritised resources to meet the needs of disadvantaged and under represented groups. For example the women and girls initiative launched by the Council is designed to have a long-term impact on the level of women's participation in sport through raising the levels of coaching and encouraging growth of the areas of sport to which women and girls are attracted. This is an example of how the Council has sought to prioritise its resources and take co-ordinated action in order to potentially achieve a much greater impact. In addition to Girls First, women and girls are identified as a priority group for SPORTLOT funding, Governing Bodies have been asked to include proposals on increasing opportunities for girls and developing recruitment plans for women coaches within their annual plans and resources have been allocated to raising the profile of women and girls sport within the media. To achieve the desired objective of reducing the inequalities between men's and women's participation, such an approach will need to be sustained and where possible supported with additional investment.

4.26 The level of support for participation in sports by the disabled in Wales is a long established priority of the Council. The Federation of Sports Associations for the Disabled are among the top ten Governing Bodies receiving funding through Development Support Grants, *Quinquennial Review – Sports Council for Wales. Stage II report*

approximately 10% of Elite Cymru athletes have disabilities and through SPORTLOT over £350,000 per annum is invested in Disability Sport Cymru. The facilities at WIS also support competitive disabled athletes.

4.27 With respect to racial equality the Council adopted a corporate Race Equality Scheme and action plan in November 2002, which it has begun to implement. The Council has supported local schemes within authorities that will help to meet the needs of black and ethnic minority communities, although this area of work is not as high a priority as gender and disability issues. Standards for achieving racial equality in sport have been published by Sporting Equals, the Commission for Racial Equality and Sport England. However no specific action has been taken to encourage or support their adoption by the Council or by sports organisations in Wales.

4.28 Sporting Equals, the Women's Sports Foundation and Disability Sport England are now developing generic equity standards embracing race, gender and disability issues. The Council has made a small financial contribution towards the cost of this work. It is not yet clear how the Council proposes to encourage the adoption of the standards in the future, for example through making achievement of the standards a condition of grant aid.

4.29 The Council itself has an Equal Opportunities policy statement and supporting written procedures produced in 1993. In line with other policies and procedures, these require updating to reflect more recent good practice guidance and changes to legislation.

5. Corporate Governance

The Working of the Council

5.1 The Council meets six times a year. Half of the meetings are at Welsh Institute of Sport in Cardiff and half at locations in different parts of Wales, normally at the premises of a stakeholder or at Plas Menai near Caernarfon. The public is welcome to attend all meetings with the exception of reserved items which are not excessive. In fact public attendance is usually sparse if at all. Proceedings of the Council are carried out in English without a Welsh translation facility. In addition members meet informally for a weekend once a year to discuss strategic direction. Some NDPBs have adopted a strategy of holding an 'Annual General Meeting' where the presentation of activities for the year are combined with topical contributions from external guest speakers.

Recommendation: In furtherance of its advocacy role the Council could consider the idea of an annual meeting specifically targeted to attract a significant audience of those interested in sport in Wales.

5.2 The function of the Council is mainly strategic and policy led, based on the principles included in a paper by the Chief Executive in June 1999. This lays out five principal responsibilities:

- ❑ Establishing the overall strategic direction, determining key strategic objectives and targets for the development of sport and determining the policy and resources framework through the Corporate and Operational Plans;
- ❑ Overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets;
- ❑ Ensuring a high standard of corporate governance is observed at all times;
- ❑ Providing Parliament, the Assembly and the general public with full information as the reasons for policy decision and actions;
- ❑ Submitting to the Assembly an Annual Report and Accounts.

5.3 The Council has two subcommittees for business excluding Sportlot, the audit committee and the remuneration committee. These are discussed below. Sportlot also has a series of committees with responsibility for deciding on capital and revenue grant applications at national, regional and local level and a Sportsmatch panel which looks at joint funding of sponsored projects.

5.4 We have looked at the transactions, papers and minutes of Council meetings in recent years. In the light of some of the negative feedback from some stakeholders in Stage 1 we found it surprising that the Council does not take a regular look at the mechanisms in place to support stakeholder liaison. This is not to say that relationships with individual bodies are not discussed as a part of consideration of particular programmes or particular Sportlot transactions but there is little evidence that an overview of relationships with key groups such as local authorities or higher and further education is ever considered – this is surely highly strategic.

Recommendation: The review of the management of relationships with key stakeholder groups should be made explicit as a Council matter and receive regular monitoring. The emphasis on this matter needs to be widened from the sports governing bodies to other stakeholder groups such as local government and the education sector, which are both significant promoters and funders of sport in Wales. It is important that concerns of different sectors and regions of partners are considered closely during this exercise.

5.5 The members of the Council receive a significant volume of papers in relation to each meeting. While some of these are fairly short and straightforward, others are more complex

and carry little in the way of summary to explain the key points and the significance of decisions required of the Council. Nowhere is this more important than in the use of powers of virement by the Council. In our opinion the requests for virement by the executive carry too little information on the impact on programmes and planned deliverables. This is an area where the Welsh Assembly Government has a very legitimate interest and where powers have to be exercised with care – it is not unusual for several virements to be done within one financial year which could have the effect of significantly changing the deliverables undertaken by the Council in the funded Operating Plan. While some members have indicated that they are broadly happy with current Council papers, a number have indicated that they are not and that they are not clear as to why some issues are coming to Council. Some have indicated that they are unhappy, for instance, when a paper is labelled “for discussion” as to whether they are being asked to decide policy on an issue, set priorities or simply be updated.

Recommendation: More consideration should be given to the form and presentation of Council papers to improve the effectiveness of the Council as a body, to encompass:

- ❑ The precise nature of the input required from members:
- ❑ Clarification of the key issues as summary in the case of longer, more complex papers;
- ❑ Clear notice of the effect on outcomes of any decision or direction recommended by the Council, especially in such matters as virement where a decision can impact on Plan deliverables in-year.

The Audit Committee

5.6 During 2002 significant changes took place in the role and purpose of the Audit Committee. On the 6th September 2002 the document confirming its role was confirmed. This foresees three meetings per annum in March, June and December with specific assigned roles:

- ❑ The March meeting focuses on reviewing internal audit reports and plans for the year ahead based on an updated needs assessment, and review of external audit plans for closure of the current year’s accounts including meeting Assembly spending requirements and any accounting issues needing to be addressed.
- ❑ The June meeting reviews further internal audit reports and annual internal audit report and approves the strategic internal audit plan for transmission to Council. Draft annual accounts and provisional external audit findings are reviewed. Operational risk management framework is reviewed as a basis for advising the accounting Officer on the Statement of Internal Control. Review Annual Report of Achievement for consistency.
- ❑ The December meeting reviews follow up on the external audit management letter and implications of the additional assurance report. Compliance with the Assembly’s Financial Memorandum is reviewed. There is also a review of the interim Report of Achievement and continuing relevance of performance targets. The risk management framework is reviewed and any recent internal audit reports reviewed.

5.7 We interviewed the Chair of the Committee who has been in place for the last two meetings. The internal and external auditors are invited to every meeting and it is clear that the Director of Finance in post has had a significant impact on improving the approach to audit matters. The new arrangements are relatively recent, but with the changes put in place in 2002 we were satisfied that the Council has now established a suitable framework for the professional management of this area.

The Remuneration Committee

5.8 This Committee replaced the Personnel Committee which last met on 28th June 1999 and had much wider responsibilities for personnel matters that have now become the responsibility of the executive team.

5.9 The Remuneration Committee has met once on 19th February 2002 to consider the new pay structure proposed to meet the needs of the Assembly Equal Pay Review. Pay scales were reduced from 34 to 8 in number. The committee recommended the changes to the Council subject to the granting by the Assembly of additional funds required to finance it.

5.10 While this was an entirely proper function of the Remuneration Committee, there are two other areas that need to be encompassed to meet best practice:

- Review of the annual pay settlement. In the case of the Council this may, for the most part, be a confirmation of inflation settlements, since many employees with longer service have reached the top of their pay bands. However, the Council also make available one-off payments to a very limited number of employees that have made an exceptional recent contribution. There is also the matter to consider of how the new pay scales are operating and what are the implications for future retention and recruitment that need to be reported to Council.
- This committee should also consider the pay of the senior management team, the Chief Executive and his direct reports. No director of any concern should receive a pay award, even if based purely on inflation, without non-executive review through the Remuneration Committee and through recommendation to its governing body. This review should be based on a consensus view of performance of individual members of the team.

Recommendation: The Remuneration Committee, to comply with best practice, should meet at least annually to consider and make recommendations to Council on the proposed annual pay settlement (including one-off awards) and implications for the future, and on Chief Executive pay as well as meeting, as required, to discuss proposed changes to pay structures within the Council. The Assembly should consider adopting best practice for Remuneration Committees of all ASPBs to consider all senior management team pay awards.

Financial Control Arrangements

5.11 It is clear in reviewing this area, in conjunction with related internal and external audit reports, that some minor past problems have resulted from not having in place an appropriate structure with clear responsibilities. Over the last eighteen months these problems have been resolved to deliver overall a good assurance level on control matters. In particular we have looked at the issue of separation of functions that tend to be problematical in smaller organisations. The responsibilities for calculation and payment of salaries are satisfactorily separated and the registry function also provides an independent recording of contractual relationships entered into.

5.12 The wide area network provides easy access for staff to a wide range of documented procedures through the "Automatic Documents" facility. The range of procedures documented through this facility is very wide, covering both administrative and operational matters plus examples of the various forms to be used. The structure of this information was not particularly logical, however, and audit had uncovered a small number of examples where procedures needed to be updated to reflect changes. The Director Finance has taken an action in hand to complete the restructuring and review of procedures during 2003/4.

5.13 Two examples occurred in the summer months of 2002 where working capital exceeded the maximum 2% of grant-in-aid funding rule. The explanation offered was that a combination of circumstances had led to this. This is a particularly difficult time to forecast outgoings for the Council in respect of the sports governing bodies and GIA funded projects

and the Director Finance was handling a forecast at this time without significant prior experience of the Summer period flows. This was compounded by late receipt of the June draw down in consequence of implementing revised procedures at the Assembly. As a result some outgoings were forecast earlier than they actually took place. The balance held for two months rose to between 3 and 4% of grant-in-aid but was rectified thereafter and performance in this area is now routinely reported to the Audit Committee. Otherwise no significant concerns arose during our review of this area in relation to ongoing controls.

Recommendation: Steps are needed to improve the quality of cash flow forecasting, especially over the summer period.

Capital Grants Administration

5.14 In the table at 3.16 of the Stage I report the build up in the SPORTLOT fund balance was forecasting a level of £30.9m at the end of 2002/3 against an annual income of the order of £12m. We have done some further work to review the build up and projected spend. Over one third of annual income is now devoted to revenue grants supporting Elite Cymru, Coach Cymru, Community Chest, Dragon Sport, Disability Sport and the Women and Girls programmes. Along with all the other national lottery sports grant distributors in the UK and beyond, the Council has had problems with processing good quality capital grant proposals to meet the cash flow of lottery income. The basic problem is that spending on approved schemes does not build at a level to match income in terms of cash flow.

5.15 The Council is working to DCMS guidelines. The financial directions have always encouraged lottery distributors to be prudent in making scheme commitments. Two years ago it became apparent that there would always be a significant amount of fall-out on capital grant applications due to practical difficulties, failure to gain support from other funders etc. that would justify a level of over-commitment. The Council is now working on this basis.

5.16 The structuring of partnerships to support developments and the submission of professional applications, even at 'ball park' values takes some time in itself. Accepting a proposal at this stage leads to an 'in principle' commitment which is extended for ten months, after which it lapses automatically. In the detailed submission construction further problems can arise, and the Council has a policy of not responding to applications for increases in the original sums requested. The cash flow of large projects then can extend over a period of three years, including payment of retentions, and this may follow a period of one to two years of completing the detailed contracting, clearance of permissions and preparations on site. Payments are made subject to architects' reports on stage completions as scheduled in the grant agreement. A commitment only becomes a hard commitment once the grant contract is signed.

5.17 At the half year point for 2002/3 a number of major packages of works were held as hard commitments:

Project/Package of Projects	Commitment Remaining	Last Payment Date Due
50m pool Swansea	£2.84m	Q4 2004/5
Velodrome Newport	£7.52m	Q4 2004/5
Community Investment Programme on 25 Local Authority schemes	£11.35m	Q4 2006/7

5.18 These packages are expected to be responsible for around 57% of the expected fund balance at the end of 2002/3 (taking account of payments due up to that date). Although smaller grants tend to have a reduced timescale in construction compared with the larger schemes, the problems of getting such schemes on site can be equally fraught. It is not difficult to see how these funds build to a level of 3-4 times annual income during the grant build stage. The Council, along with other sports lottery distributors, is committed to halving

the level of the fund from the level at the end of 2001/2 over two years and current forecast suggest that it will come close to achieving this.

5.19 Moving forward the key issue will be the extent to which sport lottery fund distributors over-commit to seek to match future cash flow to actual lottery income and what, if any, safety funding level they seek to retain. Detailed advice on this issue is not currently available from DCMS. Since the Welsh Assembly Government currently acts as agent in relaying the DCMS priorities to the Council and has an interest in investment outcomes, it is an issue on which we consider it should have a view.

Recommendation: The sponsoring Directorate should consider the balance that it would like the Council to achieve in terms of forward lottery fund retention and commitments.

Internal and External Audit

Internal Audit

5.20 The internal management framework for internal audit work is described under the Audit Committee section above. The work is subcontracted to Deloitte & Touche and managed by the Audit Committee. Timely circulation of these reports to the National Audit Office, responsible for external audit, was evidenced in the files we reviewed. In recent times the coverage of internal audit work has been wide within the Council:

- ❑ Catering
- ❑ Maintenance
- ❑ Payroll - twice
- ❑ Asset inventories
- ❑ Trading & sundry income – vending
- ❑ National Lottery Funding and Welsh Assembly Government Funding claims
- ❑ Network Operating Systems
- ❑ Income & debtor management
- ❑ Grants administration (Governing Bodies)
- ❑ Plas Menai
- ❑ Sportsmatch funding
- ❑ WIS booking database
- ❑ Elite Cymru
- ❑ Purchasing
- ❑ National Lottery Capital
- ❑ Internal computer audit/Information security/IT procurement

5.21 The outcome of these reports has been at least a record of “substantial assurance” indicating that the control framework is substantial and any weaknesses detected are not of a serious nature. Perhaps the most serious outcome was the non-availability of budgeting reports identified in the summer of 2001 – this was corrected through filling the post of Financial Controller. It is encouraging to read evidence in reports that the recommendations of previous reports in that area have been followed up.

5.22 We would note that internal audit reports have been substantially financially oriented, concentrating on the proper administration of funds through good controls and good purchasing disciplines. The main exception in the above list is in the IT area where operating systems and security have been reviewed. There may be further scope, while retaining the core focus on financial control, to extend the range of work into such areas as health and safety compliance, HR best practice compliance and third party post-investment reviews.

Recommendation: The Audit Committee in conjunction with the internal auditors can usefully consider a greater extent of audit work in risk areas that are not primarily financial in nature.

External Audit

5.23 The National Audit Office carries out the external audit of the Council. Over the previous four years audit reports have revealed minor control weaknesses, but have regularly concluded that the auditors “were satisfied with the overall operation of the Council’s systems during the year”. The most recent report also acknowledges the progress made by the Council in the implementation of a risk management framework (see below) in line with the recommendations of the Turnbull Report. This letter also notes the helpful redesign of the Audit Committee’s terms of reference.

5.24 Of greater concern are the breaches of the Financial Memorandum reported by the external auditors:

- ❑ The first issue was in the late submission of Grant-in-Aid claims to the Welsh Assembly Government – a problem that has now been addressed.
- ❑ It was noted that twice in 2001-2 the working capital exceeded 2% of total grant-in aid. As noted under financial control, above, this has also been the case in 2002-3 and we recommend improvements to cash flow forecasting in the summer period.
- ❑ The Council exceeded its powers through the virement in 2001/2 of £341,000 from its capital to its current budget without first seeking approval from the Assembly. Approval was subsequently refused with impacts on the budget. This issue predates the appointment of the current Director Finance. The NAO recommends improvements to the Council’s budgetary and planning process to give early warning on financial positions.

Recommendation: The Council should regard virement from capital to current spend as an absolute last resort. This is not good accounting practice in any organisation, and to use this as a solution to a current financial shortfall will rightly raise concerns from the sponsor over planning and control issues. The Council should adopt a policy of solving any problems through adjustment of the current spend levels before even considering this approach, while being careful to inform the sponsor of the impact of any potential budgetary adjustments. The Assembly should consider the wording of financial memoranda on this issue.

- ❑ The Council was criticised for being unable to demonstrate that proceeds from the sale of fixed assets were retained and utilised in full for capital purchases. A change of accounting treatment in 2002/3 should remove this problem.
- ❑ The auditors noted that a tender for £65,000 let in 2001/2 on a single tender basis had not been approved by the Assembly sponsor (limit for Council authority is £50,000). Further investigation showed that this was an extension of a single tender contract let for £104,000 in 2000/1 that had not been previously queried. This tender was for materials purchased in support of the Dragon Sport project and funded by lottery funding. The Youth Sport Trust, a voluntary organisation supplying the material, had already done much of the development work for Sport England, and the decision to get material from them was reasonable on commercial grounds as it avoided the repeat of significant development work. Because the organisation had been grant-aided by Sport England the senior management team regarded this as a grant rather than a normal commercial contract. However, it was then effectively let in the same way as a normal commercial contract. The problem arose principally because the Council saw the context defined in the nature of the relationship (public grant-aiding body and grant receiving VSO) rather than in the nature of the transaction (supply of goods and services). At this point in time the sponsor has said that information supplied to them is insufficient to approve the single tender in retrospect. We note that the Director Finance now carries out a regular review of the contracts register, but we consider that greater internal clarity is still required in this area.

Recommendation: All expenditure to third parties for goods or services provided to the Council should be regarded as contractual spend, irrespective of the detailed relationship between the Council and the supplier. It is our view that this type of spend would be covered by the EU Procurement Directive as a supply of goods and services. The limits specified in the Financial Memorandum should then be applied to this spend. The Welsh Assembly Government should consider the wording of the Financial Memorandum to clarify that all supplies of goods and services are covered by section 3.9 and cannot be circumvented through the use of grant funding in situations where the supplier is also regularly grant aided.

- ❑ The auditors noted that banking arrangements were overdue for review and for competitive tendering and that this point had been raised in previous audits. An objective has been set to address this issue by mid-2003. This is being monitored by the Audit Committee.

5.25 We note the regular review by the Audit Committee of compliance with the Financial Memorandum that was introduced in the current financial year. This should help to deal with the issues identified at audit.

Risk Management

5.26 As noted by the external auditors significant progress has been made in the introduction of risk management mechanisms into the Council. A register of key risks has been assembled and was most recently updated in August 2002. It is a professionally produced document and carries the following headings designed to promote action:

- ❑ The nature of the risk divided into sections: Corporate, Operating, Compliance, Financial.
- ❑ Owner of the risk area.
- ❑ Impact, Low to High.
- ❑ Likelihood, Low to High.
- ❑ Mitigation measures in place.
- ❑ Specific or ongoing action required.
- ❑ Timing of action.

5.27 The work done to date is now clearly tied into the work of the Audit Committee and is taken account of in the preparation of the internal audit strategy. It is starting, therefore, to have a meaningful impact on the way in which the Council manages its affairs – thus meeting with the clear intentions of the Turnbull Report. The work done is an excellent start, but the process has some way to go to approach best practice. The respects in which it needs to develop can be identified as follows:

- ❑ The involvement of a wider group of personnel in the definition of risks and appropriate actions to be taken, if any. The key mover in setting up this work has been the Director Finance, but it is now important to involve a wider group of people that may be able to identify a range of lower, but possibly significant risks. As examples the specific risks associated with IT wiring failures or operating inappropriate recruitment or disciplinary procedures would be valuable additions. This lower level will require a wider input, but will deliver a much clearer focus on risk management needs.
- ❑ The emphasis on risk awareness as part of staff training considerations, either through internal “on the job” development or through specific external initiatives where appropriate. Best practice would involve appropriate, but not excessive, time spent in risk workshops.
- ❑ The incorporation of risk management into staff induction programmes, and the importance of risk mitigation programmes. The Council already partly recognises this point through the emphasis it places on health and safety training for new employees, but it could go further.

- Ensuring that partners with whom the Council works closely are themselves making an appropriate response to risk management, especially where there is shared use of premises or there are joint initiatives on projects or marketing.

Recommendation: A cross-functional small working group should be set up to develop and assess the risk register, meeting with a suitable frequency, say every six months. The senior management team should address the need to develop other aspects of the scheme along best practice lines as an ongoing objective.

Efficiency Framework

5.28 There is no efficiency framework surrounding significant aspects of the Council's activities. There is no framework of reviews of running costs or of the activities of the National Centres, although the latter effectively function as profit centres and there is an incentive to raise additional revenues with minimal growth in the cost base. This is especially true of Plas Menai where there is a seasonal trend in activities and steps are taken to tailor variable cost to revenues.

5.29 In the case of running costs there is no best value plan or other plan for the market testing of activities. The senior management team argue that they have been working under increasingly tight funding controls in this area that have caused the driving up of value from these areas, though this is not a convincing argument for the innate efficiency of these areas.

5.30 In the case of projects launched by the Council the Research and Evaluation section carries out reviews of projects in order to ascertain whether they are delivering the anticipated results. Outcomes of such evaluations have been both positive and negative. For instance the review of Dragon Sport in March 2002 recommended the extension of the project into other areas. This compared with the generally unfavourable report on Clwb Cymru which preceded it. Such evaluations are, understandably, principally output based and do not focus heavily on the efficiency of delivery mechanisms of projects. They rather focus on the level of activity that the Council can sustain and on what to prioritise. They do, therefore, make a useful contribution to the consideration of the level of effort needed in the Local Development Services Team.

5.31 Paragraph 1.31 of the 2002/3 Operational Plan states that:

"The Council's financial efficiency is monitored through its running cost control budget lines identified in the Annex to this plan. These have demonstrated significant reductions, year on year, in real costs but have now been increased marginally to compensate for both volume and inflation increases."

In other words efficiency is deemed to have increased because of rising volumes of activity against a fixed or slowly rising funding level. While there is no problem with the principle of this approach, the Council fails to illustrate the effects of increasing efficiency pulling down costs, matched by increasing levels of activity pulling up cost. There is no clear view of what is being done differently to contain cost or of how efficiency is being actively pursued.

5.32 This problem is compounded in the presentation of the Corporate Plan. The three-year forecast is presented as a baseline to fund on-going commitments and is then adjusted for proposed new activities. The baseline is presented as current year levels plus inflation (and in the case of Development Pay substantially more than inflation) with no explanation of how such figures are arrived at as a mix of extension of existing schemes, efficiency and inflation.

5.33 While we are not suggesting that there is evidence of significant inefficiency within the Council, much more can be done to satisfy funders on this score and to make the resourcing of activities more transparent.

Recommendation: The Council should construct a framework through which departments are reviewed on a periodic basis to ascertain whether there are options for the more efficient

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delivery of activities, and to compare the resources in place with movements in the workload to be delivered within the department. This should include an assessment of alternatives for sourcing the delivery of services and whether a staffing or contracting route is the most suitable. A summarised version of this work should be included in the Corporate Plan to provide clear evidence of the movements of efficiency levels over the plan period.

Corporate Planning

5.34 The planning process is rooted in the strategy. However, we find that there is confusion between the strategy, the Corporate Plan and the Annual Report of the Council. There is a high degree of repetition between the three documents. In particular this makes the Corporate Plan difficult to follow. Much of the contextual information does not need to be included in the Corporate Plan, but more emphasis should be placed on a brief restatement of strategic principles as developed to meet key policy objectives agreed with the sponsor Division. The Plan should focus on converting strategic priorities into action, but leaves the reader with a sense that there is a lot going on but with no clear idea of the relative priorities of activities. The sense of why the Council is choosing the particular actions and projects proposed as a means of pursuing the strategy is far from clear. The future financial projections for 2003/4 to 2005/6 are presented, in terms of the baseline forecast on page 7, with no clear links to the specific projects and actions which it finances.

5.35 There are other problems with the presentation of the forecasts. Most of the baseline activities, with the exception of the capital and depreciation related lines and the significant exception of current receipts, increase in line with inflation. The Development Pay line increases faster than the rate of inflation over the first two years but there is no clear explanation of staffing increases which drive this. The lack of increase in the current receipts line relates to the policy to increase WIS usage by sport governing bodies and thus limit opportunities for public access, but this is not explained effectively. The reader is forced to the conclusion that the baseline budget is about the alternative uses for a fixed level of resource rather than tailoring a resource to meet the essential objectives of the Council. It would be helpful if the plan included a parallel forecast for the mix of manpower skills required over the plan period to meet changing need.

5.36 The problem is compounded when the bids for additional funding in section 7 are added to the forecast view. The measures put forward focus on inputs for the most part and it is not clear what outcomes will be delivered in return for the investments proposed. The coaching bid gives no practical examples of what would be provided where and what practical outcomes could be expected. The WIS upgrade figures are a combination of capital investment and loss of income of £1m per annum in 2004/5 and 2005/6 – however, the plan is unclear on reduction in running costs that can be expected beyond the plan period. No funding for one-off reorganisation costs is recognised. In short the document is very poor at selling new ideas and tends to focus on the negatives of not investing rather than the positives of increasing funding. Nowhere is this better illustrated than in the item “Capital Modernisation Fund” where a straight reading of the item suggests that a bid should be made because the funding is available – the Plan remains silent on the nature of the benefits to accrue from the application of these funds, just as it does on the £475,000 of capital funding requested in the base plan from 2003/4.

Recommendation: The Corporate Plan process should be revised to reduce repetition and work from a confirmation of strategic purposes stated in more detail elsewhere. More explanation is needed on the links between projects and strategic objectives and on the benefits to accrue from investment. In particular it should illustrate the level of funding, staffing and outcomes in relation to each one. It should state the impact of efficiency and work volume growth on existing workload and be very specific about the purpose, outcomes and priorities of new activities. All new activities should demonstrate the overall impact on costs and revenues, whether of a capital or current nature.

5.37 The Operational Plan again reiterates a significant amount of the content of the Corporate Plan for what should be a focus on management rather than strategy and policy development – text on such matters as the development of excellence is out of place in the Operational Plan. Instead it should contain the agreed priorities for the coming year based on discussion with the sponsor Division of the Corporate Plan, together with the agreed actions and budgets required to meet those priorities. The issue of appropriateness of performance indicators is covered elsewhere in this report. Subject to this point the types of information included in annex A and B to the existing Operational Plan are appropriate. An important addition would be a staff manpower budget for the year.

Recommendation: The Operational Plan should be revised to include only the bare essentials by way of introduction to a document that should be the basis of managing the Council in the forthcoming year, but it should also include a staffing budget by department calenderised across the year.

Information and Communications Technology Management

5.38 The issues around the running of ICT are described above. This section deals with the key governance issues surrounding ICT.

5.39 A code of practice for ICT, including a restatement of security policy, has been a high priority placed on ICT, and a full code of practice was issued by the Chief Executive in December 2002. This is a comprehensive document that covers, among other issues:

- ❑ Physical and environmental security
- ❑ Network security
- ❑ Internet security, email and internet policy
- ❑ Procurement policy
- ❑ Network management and systems access policy
- ❑ Virus protection policy
- ❑ Data backup and restoration policy
- ❑ Business continuity plan (incl. disaster recovery)
- ❑ Compliance policy
- ❑ System development and maintenance policy

5.40 The security around systems is high with good control over access and good monitoring logs in place to report on potential security infringements. Physical access to key facilities is well controlled. Internal audit reports have made occasional points about access for leavers not always being revoked in a timely way, but broadly the procedures in place do provide good protection without unnecessarily impeding genuine user access. The strategy is pursuing a route towards BS7799 certification for information security.

5.41 Business continuity plans are well documented. It is clear, however, that a total disaster at Welsh Institute of Sport would have a dramatic impact on the sourcing of information. Two physically separated hubs are available in Cardiff, but the simultaneous destruction of both hubs would leave the set-up of an alternative facility at Plas Menai as the only option, assuming also that the WIS building was not useable. The continuity plan is reviewed annually.

5.42 By reference the policy embraces the requirements of the data protection act.

Recommendation: For practical reasons it would be useful for the annual review of the business continuity plan to identify South Wales based bureau facilities which may be suitable for provision of emergency facilities in the event of total disaster at WIS.

Human Resources

5.43 The appropriate conduct of human resources matters is now a critical part of governance assurance. As a background the Council has recently received reconfirmation of its Investors in People (IIP) status.

5.44 We have reviewed procedures in place and interviewed the HR manager to reach a view on the position of the Council.

5.45 The Council has now implemented a revised pay structure based on a JEGS basis of job evaluation. This has simplified the structure and removed some pre-existing risks of equal pay challenges to the structure. All newly created posts are subjected to the same evaluation, and language needs are assessed. All jobs are advertised internally and externally. The recruitment process is centrally managed by HR staff, with knowledge of employment legislation, and they ensure that advertisements are worded properly and placed in suitable journals. All offers are made through a personnel officer.

5.46 From April 2003 all staff taking part in the interview process will be required to be trained in interview techniques. Interviews are spot checked by the HR Manager. A basis of evaluating candidates is agreed for each post so that the process can be demonstrated to be transparent and good feedback can be given.

5.47 Induction programmes are run which, in all cases, includes a broad introduction of staff to the work of the Council and basic health and safety and VDU training. Personal safety training is given to staff in operational areas.

5.48 Annual appraisals take place in April and are recorded. They form the basis for agreeing recommended training needs. They would also deal with the refusal of an inflation pay rise (this has not happened). The notes would form the basis for a manager arguing a case for a one-off merit award.

5.49 There are clear disciplinary and grievance procedures, providing for appropriate escalations and recording of actions taken. Procedures for dealing with absence are in place and special leave is formally recorded.

5.50 For the most part staff turnover at the Council is low, but there are a number of 'hot spots' where the levels of staff turnover have been a problem. In customer facing functions these have typically been in areas where there has been a shortage of appropriately qualified staff in a competitive market, in areas such as sports science and national development staff. Other high turnover rates have occurred in central functions such as finance. The Council needs to ensure that its pay grading system allows it to stay competitive in areas like this and this should be achieved through annual reviews by the Remuneration Committee as recommended above.

5.51 Overall the governance of human resources was satisfactory.

The Welsh Language Scheme

5.52 The Council has in place a Welsh Language scheme approved by the Welsh Language Board. Annual reports on progress are prepared and submitted to the Board after approval by Council. We reviewed the report for 2001/2. The report for 2002/3 is due to be submitted in April 2003. The Council is also proactive in discussing issues and developments with the Board. The situation at the last report date is summarised in the following table (the current situation has changed little):

Department/Location	Total Staff	Welsh Target	Current Fluent	Current Learners
Cardiff – CE Office	7	2	4	1
Cardiff – National Development	22	1	1	2

Cardiff – Corporate Services	34	1	2	4
Local Development – Cardiff	13	1	4	3
Local Development – Carmarthen	6	1	1	0
Local Development - Deeside	5	1	3	0
WIS Cardiff – Customer Services	15	1	0	1
WIS Cardiff – Support Services	46	0	1	0
Plas Menai - Caernarfon	18	2	7	1
Total	166	10	23	12

5.53 The following points emerge from this analysis:

- ❑ About 14% of total staff are fluent Welsh speakers – English is the dominant working language
- ❑ The number of fluent speakers meets target in all locations except WIS customer services where difficulty has been experienced in recruiting a fluent Welsh speaker. A back office ring back facility has been provided but this is far from ideal.
- ❑ The Welsh speaking fluency target is currently very modest and the Welsh Language Board is pressing the Council to double it to 20 staff.
- ❑ There are areas such as South West Wales where the level of Welsh speaking in the population would justify a more ambitious target.
- ❑ Jobs are identified as having a need for fluent Welsh by the Council. All new roles created are language need assessed and all jobs are advertised in accordance with best practice and stating that Welsh speaking is either essential or desirable.

5.54 The Board appears to be satisfied that the Council has dealt well with the initial issues around bi-lingual signage and communications. The more important issues are becoming:

- ❑ Emergence of a more ambitious policy on staff linguistic ability
- ❑ The handling of linguistic issues around grant administration
- ❑ The partnership issues

5.55 The issues around the two National Centres, for instance are very different. At WIS the majority of coaching is carried out by national governing body staff. While these posts are in some instances funded by the Council, the staff are the employees of the various governing bodies and they are insistent on recruiting staff first and foremost on their technical abilities. In a number of cases the staff concerned are not even from the UK but are often sourced from the Southern hemisphere. This is also true of some of the specialist skills recruited by the Council itself.

5.56 In the case of the Plas Menai National Watersports Centre the training is conducted by Council staff. Two of fourteen regular coaches are fluent Welsh speakers and one is learning Welsh, as well as three fluent trainee coaching staff who deliver safety and other training. The policy stipulates that Welsh coaching will be provided if possible, subject to prior notice from groups. A significant problem here is that courses are filled with students from across the UK. The Centre Manager, because of the paramount importance of health and safety issues, is happy with the principle of giving coaching all in Welsh or all in English, but not with trying to do group teaching on a practical basis in both languages.

5.57 Public meetings held by the Council are provided with simultaneous translation facilities with the exception of Council meetings. The very low number of public attendees at these meetings is common to all ASPBs and NDPBs in the UK and is unlikely to be significantly influenced by the availability of simultaneous translation facilities.

5.58 The grants administration part of the Council's work does contain an agreement that commits the receiver of the grant to bilingual signage of the facility for which the grant is claimed, and in the case of the larger schemes gives the Council the right to establish both

the Welsh and English names of the facilities. The Council also insists that any partner organisation using Council facilities observes the need to present bilingual signage for events and in the use of notice boards.

5.59 The Council has liaised with the Board on the work it is doing on grant administration and has asked for further guidance on what more it can be expected to do in the field of influencing partner organisations that are, in many instances, reluctant to fund the cost of compliance in carrying out their own activities. The Council itself provides funding for training for any staff who wish to learn Welsh on a voluntary basis. Six complaints on Welsh language issues were received in 2001/2 of which three were upheld. No complaints have so far been received in 2002/3.

Recommendation: The time is now right to move forward on Welsh language policy and we believe the Council should take up the challenge of increasing targets for fluent Welsh speakers, focusing on customer facing activities. This is likely to create hotspots to be addressed in such locations as WIS and South West Wales which need to be addressed by recruitment or training.

Other Governance Issues

Procurement

5.60 With the exception of the failure to seek sponsoring Directorate approval for a single tender over £50,000 (see external audit above), the procurement processes operated by the Council are operating to a satisfactory standard of best practice. This area has been recently reviewed by internal audit.

Complaints

5.61 There is a process for categorising and referring any complaints made by the public about any of the initiatives and services operated by the Council. In such cases the complaints are filtered through the relevant line manager and finally, if necessary, to the Chief Executive. In the case of complaints against SPORTLOT grant refusals there is an established Appeals Committee chaired by the Chairman of the Council. The level of formal complaints against the Council is very low.

5.62 Mechanisms are in place for staff to express dissatisfaction and concerns. The normal route for this would be through the line management chain. However, facilities are available for staff to pursue a route other than this to deal with concerns of an ethical or 'whistle-blowing' nature.

Reporting Arrangements & Freedoms

5.63 For the most part these are appropriate. There have been some notable delays, however, in the responses to requests for approvals that have been made by the Council. One example, also noted in the external audit report, was a request for approval of action over a pensions matter which took nearly a year to get a formal response. The details of the case related to an early retirement issue.

Recommendation: The sponsoring Directorate should review its processes for handling requests for approval from the Council to ensure that the speed of response is appropriate to the particulars of the case, and to ensure that communications are working effectively with other departments that need to be involved in the response.

5.64 An additional area of concern relates to branding of new sports investments where both DCMS and the Welsh Assembly Government wish to be acknowledged. In some cases investments are supported by funding from both the lottery and grant-in-aid. In other cases only lottery funding may be involved and it is important for the Council to know that it is

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acting within its powers in investing in branding for those projects that are solely lottery funded.

Recommendation: The Culture, Sport & Welsh Language Directorate resolves outstanding branding issues on lottery funded developments with DCMS in order to give clear guidance to the Council on how to manage branding of new projects.

Appendix A
Terms of Reference

TERMS OF REFERENCE

Introduction

The Quinquennial Review of the Sports Council for Wales is being undertaken in the context of the Welsh Assembly Government's published Quinquennial Review Guidelines. The Guidelines set out the process for conducting the reviews. This includes self-assessment by the sponsored body, discussion with Members of the Council and senior managers, inviting views from major stakeholders including staff and their trade unions, partners and customers.

The Terms of Reference sets out the key questions that the Review has to address. The issues common to all reviews are identified in the Guidelines, but the Terms of Reference also take account of issues specific to the Sports Council for Wales. The Review will take into account the National Assembly Culture Committee's review of policy on sport and DCMS' review of lottery funding and consider the emerging conclusions from both reviews.

The key output of the review is a single report, which will be in two parts. The first part of the report on functions (Strategic Review – Stage I) will be considered at an interim stage, which will also set out emerging issues for the rest of the review.

The context for the review is the Assembly's strategic plan, *Plan for Wales 2001*, and related Assembly strategic documents such as *Creative Future: Cymru Greadigol*.

Stage I: Strategic Review

Functions

In the light of the Royal Charter objects of the Sports Council for Wales, the objectives of the National Assembly and models of good practice elsewhere, is there a continuing need for all the functions of the Sports Council for Wales and, if so, is the current organisational framework for delivering those functions the most appropriate?

- What is the legal framework governing the Sports Council for Wales?
- Are the functions of the Sports Council for Wales still necessary?
- Do the functions need to be carried out by an Assembly Sponsored Public Body – are other options for undertaking the functions likely to be more effective?
- Are the functions best carried out by a single body? Is there a need to rationalise functions between the Sports Council for Wales and other public bodies engaged in the provision of like services in Wales?
- Specifically, the review should examine the National Centres and consider their functions and purpose, performance, options for their future management, whether there is scope to develop contractual arrangements for the delivery of services to good effect and to consider future funding options. In considering these issues the review will take account of the findings of the Financial Management and Performance Review of the Sports Council for Wales carried out previously by the Welsh Office.

Stage II: Strategic Effectiveness & Corporate Governance Review

Strategic effectiveness

Subject to the findings in Stage I: are there improvements which should be made to the way in which the Sports Council for Wales' functions are delivered, taking account of its Charter objects, how these have been translated into the aims and objectives of the Corporate Plan and the values and objectives of the National Assembly. Are there ways in which the functioning of its relationship with the National Assembly could be improved?

This should take account of any independent studies, for example by the National Audit Office, and the actions taken following the previous FMPR.

- What have been the main strategic achievements of the Sports Council for Wales over the last 5 years? To what extent has it met its objectives? What has been its performance against targets? How does its performance compare with that of comparable bodies? Are there performance issues that need to be addressed?
- How effective is the strategic relationship between the Sports Council for Wales and the National Assembly, including the Welsh Assembly Government's strategic guidance and the Sport Council's arrangements for responding to the National Assembly's strategic objectives, guiding themes and values (including equal opportunities, tackling social disadvantage and sustainable development)? How might they be improved?
- How effective has been the Sports Council for Wales' corporate planning in developing clear strategic direction, setting targets and allocating resources to objectives and priorities?
- Does the corporate planning process reflect an integrated approach to the functions delivered by the Sports Council for Wales?
- Is there an effective mutual understanding of the roles of the members of Council and the senior management team in setting corporate objectives and monitoring their implementation? Are the processes for decision-making by members clear and efficient and the delineation between what is for Council and management clear?
- Is the Sports Council for Wales sufficiently responsive to its partners and customers, does it understand the nature of its relationships with them and does it have their confidence as a body with which they can do business, are there ways in which relationships might be strengthened?
- Are reporting arrangements adequate between the Sports Council for Wales and the National Assembly, does the Sports Council for Wales need different freedoms and flexibilities?
- Is there clarity between the different roles and responsibilities of the Assembly and the Department of Culture, Media and Sport in relation to Accounting Officer responsibilities, policy development and, financial control and management?

Corporate governance

Do the arrangements for governing the Sports Council for Wales continue to be appropriate? Is the Sports Council for Wales managing its finances effectively and in accordance with the requirements of regularity, propriety and value-for-money? What progress has the Sports Council for Wales made in improving operational efficiency? This should take account of the evidence from the existing control framework, as set out in Annex 2 of the Guidelines.

- Do the current arrangements for governing the Sports Council for Wales continue to be appropriate? Is there sufficient public accountability for the conduct of the Sports Council for Wales?
- Do the financial and managerial control arrangements between the Sports Council for Wales and National Assembly meet established requirements?
- Do internal and external audit reports provide confidence that the Sports Council for Wales is managing its finances in line with the Assembly's expectations of public bodies? Is the Sports Council for Wales' internal audit committee working effectively?
- Is the Sports Council for Wales managing its finances and assets effectively? Are value-for-money issues (including policy evaluations) and risk management being rigorously pursued?
- Does the Sports Council for Wales' conduct of business meet the standards of practice expected of public bodies in relation to procurement, openness, codes of conduct and the handling of complaints (including whistle blowing)?
- Are the Sports Council for Wales' running costs and staffing levels being controlled and scrutinised? Can useful comparisons be made with the operating costs of similar bodies?
- Does the Sports Council for Wales have good arrangements for monitoring/challenging the quality and efficiency of its service delivery?
- Does the Sports Council for Wales have a good track record in and robust plans for improving efficiency?

Appendix B

Executive Summary of the Stage I Report of the Quinquennial Review

1. Executive Summary and Recommendations

Context

1.1 The Sports Council for Wales, founded in 1971 under Royal Charter, carries out a range of functions that support significant development work and distribution of National Lottery fund grants. It receives over £20m in funding per annum - £8.6m in grant-in-aid from the Welsh Assembly Government and around £12m from the National Lottery fund.

1.2 Major changes are occurring in the structure and direction of sport in the UK. These create a climate in which change is needed in Wales if it is to be competitive and also contribute to the new wider objectives such as healthy lifestyles and access for all.

1.3 The Assembly and all the sporting organisations in Wales will need to manage this major strategic change in a careful and staged way, recognising the complexity of the sports market. Ambitious and innovative long-term goals will need to be developed and agreed and investment and commitment made towards these. Whilst this is happening short and medium investment will also be needed to ensure Wales does not fall behind.

1.4 It is within this context that we have reviewed the Sports Council for Wales and developed our recommendations.

Sport Council for Wales

1.5 The membership of the Council is broad in experience and geographical representation. It carries a good mix of skills to perform its role effectively and is of appropriate size.

1.6 The Council is responsible to both the Welsh Assembly Government and the Department for Culture, Media and Sport for its activities. Its key stakeholders are the Welsh national governing bodies of sport, Welsh local authorities, higher and further education institutions and the elite sportsmen and women of Wales.

1.7 Its National Centres in Cardiff (Welsh Institute of Sport) and Caernarfon (Plas Menia Water Sports Centre) are run under "The Sports Council for Wales Trust", a charitable trust monitored by the Charities Commission. This arrangement confers some financial privileges. As well as these two centres there will shortly be six more centres at UWIC, Bala, Cardiff Bay, Cardiff, Newport and Swansea (Table 4.4). These are supported by funding from the Council, but run by various sporting organisations and by local authorities and higher education institutions.

1.8 The sports market in Wales involves a significant number of organisations, for example Local Government, Further Education and Sporting Bodies such as WRU, FAW, WASA etc. These represent a series of interest groups. This matrix of interests is analysed in section 4. We take the view that the Council fulfils an important role in coordinating and identifying development opportunities in this market.

1.9 Funding from the National Lottery is significantly dependent on population size, and only Northern Ireland among the home countries has a smaller budget.

Consultation

1.10 A broad consultation exercise revealed considerable support for the Council, especially among the smaller sports that make heavy use of the Welsh Institute of Sport in Cardiff. A limited number of organisations were more critical. Probably the most varied views were from local authorities, many of which felt that further clarification of roles would be helpful. There was some concern as to the effective reach into all significant areas, mainly

from some local authorities and the higher education/further education sector. There was a commonly recurring view that the Council could do more as an advocate for Welsh sport, especially with the National Assembly. Many people made their comments against an awareness of the changing sports market. Consultation will be extended in appropriate areas during Stage II of the review.

1.11 The consultation to date has focused on the Stage I aspects of the review. Further consultation will take place in Stage II, which will include discussions with elite athletes and others.

Main Conclusions

1.12 We conclude that the Sports Council for Wales has in overall terms made a positive contribution to sport in Wales and performed well against the remit and constraints set by the former Welsh Office. Stage II of the review will address in more detail proposals to enhance the effectiveness and efficiency of the organisation. However, further change is needed in response to the sports market and the evolving broader policy objectives.

1.13 In section 6 we conclude that there is a good case for retaining the functions currently provided by the Council, but that further work in Stage II will be needed on how some of these should be sourced. They should, however, be seen within a wider strategic context and with an enhanced advocacy role and an emphasis on effective working with the Welsh Assembly Government in achieving its objectives. The over-riding responsibility for the policies, priorities and strategy for sport, including the direction on investment, needs to rest with the Assembly itself. The Assembly has started the process of developing this broad holistic sports strategy for Wales.

1.14 We conclude that the Council should be encouraging a greater emphasis on self-reliance by sports bodies, in terms of their ability to manage and develop their sports with appropriate financial assistance, and that it should regard itself as the deliverer of last resort. For some of the smaller bodies this is a considerable challenge that will require time and may not be fully achievable.

1.15 We did not identify significant overlaps or significant new functions for the Council to take on, although clarification over the future responsibilities to DCMS and the National Assembly would be helpful. Further work in Stage II should look at the case for better prioritisation of functions. We also concluded that the work it carries out should continue to be met substantially by public funding.

National Centres

1.16 The situation of the two National Centres operated by the Council was found to be very different and this led to substantially different conclusions for each centre. We have looked at long-term and short-term options as laid out in section 7.

1.17 In the Case of the Welsh Institute of Sport (WIS) we concluded that there is a continuing need for the services and facilities it provides and that the market place is not currently providing comparable facilities. An additional problem is the shortage of human and financial resources of some of the governing bodies of sport that currently rely upon it.

1.18 The state of the facilities is such that decisions will need to be taken in the near future in order to ensure the competitiveness of the key users for the short to medium term. This relates particularly to elite athletes and Welsh national governing bodies of sport. We have analysed the long term and short term options for WIS and make the following conclusions:

- The strategy for support of sports in Wales is not sufficiently developed and clear to take a decision at this time on a long-term option.

- Any long-term option(s) would be a major project, likely to incur the time delays associated with this type of project.
- The only viable recommendation to meet the short to medium term requirements is for a short-term development at WIS.
- This should only be undertaken on a proportionate basis and against a full plan setting out the capital costs, the one-off associated change costs and the consequential revenue cost following the changes.
- We agree that strategically the Council should interest itself in elite and developmental issues and should not be in the business of providing public facilities. A consequence is the need to take WIS and its assets out of the Sports Council for Wales Trust. Immediate discussions should be commenced with the Charities Commission.

1.19 We therefore conclude that there remains a need for sporting facilities that specifically provide for and focus on the needs of elite athletes and Governing Bodies, particularly the smaller Governing Bodies with less resource. The market place at the current time is not naturally providing such facilities and the smaller Governing Bodies consider that they lack the human and financial resources to take on the responsibilities and risks associated with such provision.

1.20 Only a minor part of the usage of Plas Menai National Watersports Centre is for Welsh elite athletes and sporting bodies. It is also run along typical lines of a commercial centre with courses being advertised and sold to members of the public. Whilst recognising the need for the centre, it makes more sense as a UK-wide centre than as a Welsh National Centre and we conclude that there is a clear need for these facilities within Wales and the UK. The yachting and canoeing governing bodies in Wales place great importance on the facilities. Given the low usage within Wales, however, it is easy to see why the Council do not regard investment at Plas Menai as being of high priority.

1.21 The key challenge, therefore, is in how further investment in facilities can be secured to ensure the continuing value of Plas Menai without a significant burden of the cost falling back on the Council. We believe three approaches are possible and these are not all mutually exclusive:

- Explore the setting up of an independent company that would be able to seek commercial funding to support future developments.
- Sell the centre to a commercial operator against a service agreement aimed at ensuring that it will continue its role as a national centre.
- If management capability of the Welsh Yachting Association were boosted by a transfer of management staff from the Council, it is possible that in the future they could undertake the running of the centre.

1.22 Potential transfers of ownership of assets raises the same need as with WIS to ensure that assets can be extracted from the Sports Council for Wales Trust.

1.23 We therefore conclude that there is a need for a well equipped facility to be provided and for the delivery of key functions with respect to training coaches, improving standards of safety and instruction, providing access to sailing and canoeing in Wales and across the UK and supporting young elite sailors.

New Structure and Co-ordination Roles

1.24 We recommend revised arrangements where we see the Welsh Assembly Government leading the strategic planning process and providing direction and coordination of inter-departmental initiatives supported by appropriate budgetary arrangements. We see an Independent Body (a funded ASPB) continuing to support sport development in Wales, the distribution of lottery funding and being a major contributor to strategy development as well as the sports coordinator and advocate for Wales. The key responsibilities and coordinating

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roles of the key players are illustrated in the diagram in Section 8. The key benefits are seen as greater clarity and a more complete strategy for sport, delivery of more success through better direction and coordination and a more effective approach to major events.

1.25 The existing constitution of the Council is wide and capable of easy modification, if needed, to be adapted for the new structure. It will be capable of supporting the changes required to support Welsh sport in the future. The same is not true of the Sports Council for Wales Trust and we recommend a review of the Trust arrangements for the future as outlined above.

Recommendations

1.26 A summary of recommendations is given below:

6.51 We recommend that the Independent Body should:
➤ fulfil a strategic planning role for sport, but this should be set within a wider strategic context, as outlined further in section 8.
➤ contribute to the development of ambitious and innovative goals, proposals, major events and projects for sport within Wales.
➤ strengthen its advocacy role, representing the interests of sport bodies and raising awareness of the value and contribution of sport, with government, UK sports bodies and with representatives in the health, education, community safety and regeneration sectors.
➤ review the effectiveness of its relationships and communication with the new Assembly department and Ministers.
➤ place a greater emphasis on education and training, including the recruitment, retention and training of both volunteers and professionals, to support amateur sport and the wider leisure industry.
➤ continue to identify the critical areas where advice and assistance is needed by sports providers to address inequalities in sport and to encourage good practice among sports participants and leaders.
➤ critically appraise the need for it to develop new participation programmes and initiatives in the future against the principles of encouraging self reliance, subsidiarity and the Independent Body as the programme developer or deliverer of last resort.
➤ continue to both distribute funding and support the applicant process.
➤ give a higher priority to its research and evaluation programme, in particular collecting the evidence base necessary to demonstrate the impact of sport, and take a more proactive role in sharing evidence and good practice.
7.18 The facilities provided at WIS should be sustained until longer term needs and market capabilities are confirmed following recommendations in 7.75.
7.75 Recommendations for Welsh Institute of Sport (WIS) – see Section 7
9. The objectives of WIS as a national centre should be confirmed and the expected outcomes clarified. The priority functions to be provided at WIS should be to provide facilities and support to Governing Bodies of Sport and facilities and services to meet the needs of elite athletes.
10. The option of focusing use at the national centre to a smaller number of priority governing bodies and activities should be examined linked to the review of priorities and focus of the Council as a whole.
11. Further work should be undertaken, integral to the investment case, to clarify the essential sporting facilities, administration and office requirements and accommodation. This should be linked to clarification of the priority users and functions of the centre and should enable some facilities to be rationalised and some improved.
12. The future options, integral to the investment case, should seek to maintain those

<p>services provided as part of UKSI Cymru as an integrated service at the national centre.</p> <p>13. Maintaining the office space for the Council at WIS should be included only if it complements the primary uses, is cost effective and takes account of the decision taken with respect to the preferred approach to ownership and management of the facility. This should be examined as part of recommendation 4.</p> <p>14. The full implications on the capital costs and revenue expenditure of recommendations 1 to 6 should be clearly identified before further decisions are taken, along with one-off costs of implementation.</p> <p>7. The strategy for supporting sports governing bodies into the future and for sourcing events facilities needs to be decided by the Sports Council in conjunction with the Welsh Assembly Government before a preferred long term solution can be pursued.</p> <p>With respect to the ownership and management options we recommend that:</p> <p>8. The legal and financial implications of removing WIS from the Sports Council for Wales Trust must be examined with the Charities Commission. It must be ascertained that assets can be returned from the Trust into the public domain.</p> <p>10. The advantages and disadvantages of establishing an independent company should be examined further.</p> <p>10. A planned approach to reducing the dependency of the Governing Bodies on the Council and increasing their involvement in ownership and management of the centres should be developed to accompany any investment strategy.</p>
<p>7.83 Plas Menai should be retained as a valuable watersports facility for Wales and the UK subject to recommendations in 7.108.</p>
<p>7.108 Recommendations for Plas Menai Watersports Centre – see Section 7</p>
<p>➤ Three possible approaches should be explored. These are outlined in 1.20 above</p>
<p>8.15</p>
<p>➤ An independent national sport body for Wales should be retained to cover both sports development programmes and SPORTLOT funds distribution. It must also demonstrate its ability to pull together and effectively represent all the sports interests in Wales.</p>
<p>➤ The Welsh Assembly Government and the Independent Body should work closely together to develop operational and funding regimes that allow a full strategy for sport in Wales to be delivered. The Arts Lottery and Sport Division should take the leading role in setting the strategic guidelines and in coordinating and monitoring programmes where cross-departmental cooperation and commitment to joint goals is critical to success and sport is a significant element in their delivery.</p>

Issues for further review in Stage II of the Review

1.27 The full remit for stage II of the review is shown at appendix A. Below are a series of specific issues raised for follow-up in Stage II as a result of issues arising in Stage I of the review:

<p>➤ 6.52 the delivery mechanisms that will enable the Council to extend its advocacy role and strengthen its work with respect to education and training of both professionals and volunteers.</p>
<p>➤ the support provided by the Council to key partners, with a view to focusing such support on a limited number of areas critical to the partners and that other organisations are not able to provide.</p>

➤	the approach to delivering support to elite athletes in connection with the future proposals for the national centres and more focused funding.
➤	the priorities for funding and the merits of focusing resources into fewer grant aid programmes and, at an elite level, potentially to fewer sports and/or applicants.
➤	the effectiveness of its current awareness raising role and in the provision of information.
6.54	Consideration should be given to the skills and experience required to deliver against a change agenda.
8.17	The planning process will need to be reviewed to ensure that it can support a more open and involving environment.
8.24	The operation of the non-lottery Council committees, especially the Remuneration Committee, will require review.
8.25	The role of Council Members in Governance should be reviewed

1.28 Following Stage II of the review it would be our intention to prioritise the full range of recommendations in the form of a draft implementation plan.

Appendix C

High Level Performance Indicators

STRATEGIC ACHIEVEMENTS AND TARGETS

Participation

<i>Performance Indicator</i>	<i>1999/2000</i>		<i>2000-2001</i>		<i>2001-2002</i>		<i>Short term target</i>		<i>Long term target</i>	
	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Target</i>		<i>Target</i>	
% of children 7-11 years that are members of a sports club	-	-	72	60 (+12)	-	-	76	02/03	80	04/05
% of children 7-11 years taking part in extra-curricular activity	-	-	77	45 (+32)	-	-	80	02/03	82	04/05
% of children 11-16 years that are members of a sports club	67	46 (+21)	-	-	73	70 (+3)	73	03/04	75	05/06
% of children 11-16 years taking part in extra-curricular activity	72	53 (+19)	-	-	72	70 (+2)	75	03/04	80	05/06
% of young people 15-24 years that are members of a sports club	21.9	22 (-0.1)	-	-	22.1	23 (-0.9)	24	03/04	25	05/06
% of young people 15-24 years participating in sport	74.1	76.3 (-2.2)	-	-	74	77 (-3)	82	03/04	85	05/06
% of adults participating in sport	55	52 (+3)	-	-	57	56 (+1)	58	03/04	60	05/06
% gap between the participation rates of men and women	-	-	12%	-	-	-	-	-	6%	05/06
% gap between the highest and lowest participating regions of Wales	98/99 figures 14%	-	14%	-	-	-	-	-	7%	05/06

Excellence

Wales position in medals per capita ranking in the Commonwealth Games	98 Games 3rd	-	-	-	2002 Games 4th	-	-	-
The number of medals per million at the Commonwealth Games	98 Games 5.17	-	-	-	2002 Games 10.62	-	-	2006 Games 7.5
Number of individuals achieving British representation	371	305 (+66)	-	-	344	310 (+34)	335 03/04	350 05/06
Number of British Champions	158	120 (+38)	-	-	117	130 (- 23)	140 03/04	150 05/06

OPERATIONAL ACHIEVEMENTS AND TARGETS

Local development achievements and targets

<i>Performance Indicator</i>	<i>1999/2000</i>		<i>2000-2001</i>		<i>2001-2002</i>		<i>2002-2003</i>
	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Target</i>
Number of junior club action plans developed and implemented in partnership with National Governing Bodies and through Clwb Cymru*	-	-	163	132 (+31)	243	243 (0)	323
Number of Centres of Local Development (COLD's)*	184	193 (- 9)	173	165 (+8)	268	165 (+103)	165
Number of Centres of Regional Excellence (CORE's)*	48	48 (0)	43	52 (- 9)	104	52 (+52)	55
Number of new sports clubs catering for people with disabilities	-	-	35	22 (+13)	37	30 (+7)	30
Number of school clubs established through	-	-	229	120	593	350	600

Dragon Sport*				(+109)		(+243)	
Number of SPORTLOT Community Chest awards per annum	-	-	-	-	1457	1200 (+257)	1200
Number of SPORTLOT Capital schemes monitored	-	-	-	-	-	60	80
Number of SPORTLOT Capital applications per annum	59	105 (-46)	96	105 (-9)	153	110 (+43)	150
Number of SPORTLOT Capital awards per annum	35	82 (-47)	54	58 (-4)	66	60 (+6)	40
Number of Girls First School Awards per annum	-	-	-	-	153	110 (+43)	180

* Cumulative targets

National development achievement and targets

<i>Performance Indicator</i>	<i>1999/2000</i>		<i>2000-2001</i>		<i>2001-2002</i>		<i>2002-2003</i>
	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Target</i>
Number of National Governing Body staff supported (excluding Coach Cymru coaches)	75	75 (0)	83	75 (+8)	63*	83 *(-20)	68
Number of Coach Cymru coaches supported (FTE)	-	-	30	15 (+15)		35	35
Number of NGB's supported financially	58	58 (0)	58	58 (0)		58	58
% of NGB's achieving self sufficiency in core programmes (as defined by the SCW)	-	90	-	100	-	90	90
Number of Elite Cymru athletes	138	120 (+18)	151	120 (+31)	188	130 (+58)	140
Number of Elite Cymru athletes receiving sports science support	75	75 (0)	89	75 (+14)	105	85 (+20)	85
WIS – Number of hours use by National Governing Bodies	17,318	16,000 (+1,318)	24,410	17,500 (+6,910)	35,899	36,000 (-101)	
WIS – Net running costs £'000's	108	89	106	123 (-17)	170	170 (0)	170

		(+19)					
WIS – Income/Exp ratio (inc mktng)	0.94	0.92 (+0.02)	0.91	0.91 (0)	0.88	0.91 (- 0.03)	0.90
Plas Menai – Total student days	16,312	17,715 (-1,403)	17,481	17,715 (+234)	19,843	17,500 (+2,343)	17,500
Plas Menai – Number of NGB coaching awards attained	1,938	1,995 (- 57)	2017	1,939 (+78)	2,799	2,050 (+749)	2,050
Plas Menai - Net running costs £'000's	150	141 (+9)	168	141 (+27)	130	141 (- 11)	141
Plas Menai – Income/Exp ratio (inc mktng)	0.86	0.81 (+0.05)	0.85	0.87 (-0.02)	0.84	0.89 (- 0.05)	0.82

* Figures from 2001/02 in FTE, target not adjusted.

Corporate services achievements and targets

Research and Evaluation

<i>Performance Indicator</i>	<i>1999/2000</i>		<i>2000-2001</i>		<i>2001-2002</i>		<i>2002-2003</i>
	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target</i>	<i>Target</i>
Number of publications	5	3 (+2)	3	4 (- 1)	4	5 (-1)	4
Dissemination of information bulletins:							
Internal							
External	12	12 (0)	12	12 (0)	12	12 (0)	12
Coaching	3	4 (- 1)	4	4 (0)	3	4 (- 1)	4
	3	3 (0)	3	3 (0)	2	3 (- 1)	3

Information Technology

<i>Performance Indicator</i>	<i>1999/2000</i>		<i>2000-2001</i>		<i>2001-2002</i>		<i>2002-2003</i>
	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target</i>	<i>Target</i>
System availability (%)	-	-	-	-	-	-	98
Helpdesk response within 30 minutes (%)	-	-	-	-	-	-	100

Marketing and Public Affairs

<i>Performance Indicator</i>	<i>1999/2000</i>		<i>2000-2001</i>		<i>2001-2002</i>		<i>2002-2003</i>
	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target</i>	<i>Target</i>
Number of press releases	65	65 (0)	62	65 (-3)	50	65 (-15)	65
Amount of Sportsmatch sponsorship generated £'000's per annum	115	100 (+15)	N/A	100	N/A	-	405
Website hits per annum ('000's)	-	-	-	-	-	20	50

Finance Services

<i>Performance Indicator</i>	<i>1999/2000</i>		<i>2000-2001</i>		<i>2001-2002</i>		<i>2002-2003</i>
	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target and variance</i>	<i>Actual</i>	<i>Target</i>	<i>Target</i>
Running cost control (£'000s)	939	995 (-56)	871	995 (-124)	1001	1004 (-3)	1013

All figures are taken from either the June 2002 report of achievement or the Corporate Plan 2003/04.

Appendix D

Breakdown of Sport Funding



Local and Governing Body Level Funding Totals

Financial Year 2001 - 2002

Sport / Governing Body	Local Level	Governing Body Level	Total
Multi Sport	3,359,274	-	3,359,274
Association Football	729,589	236,330	965,919
Golf	415,057	160,514	575,571
Athletics	197,582	351,899	549,481
Squash	170,951	274,178	445,129
Cycling	190,605	252,079	442,684
Badminton	53,863	383,178	437,041
Rugby Union	361,003	28,160	389,163
Cricket	157,502	212,682	370,184
Hockey	56,416	294,756	351,172
Gymnastics	159,467	173,138	332,605
Swimming	78,857	242,040	320,897
Netball	73,295	209,544	282,839
Table Tennis	40,246	237,386	277,632
Lawn Tennis	115,328	149,829	265,157
Judo	19,030	229,973	249,003
FSAD [inc. Boccia]	14,227	214,828	229,055
Sailing & Yachting [inc. Sand & Land Yachting]	63,600	124,718	188,318
Bowls	53,282	130,774	184,056
Shooting	100,776	66,500	167,276
Basketball	163,348	-	163,348
Canoeing	44,894	115,419	160,313
Rowing	42,668	38,474	81,142
Boxing	28,826	36,745	65,571
Triathlon	1,500	61,467	62,967
Fencing	19,738	38,514	58,252
Karate	12,575	35,865	48,440
Lacrosse	24,746	12,276	37,022
Orienteering	17,671	16,500	34,171
Billiards / Snooker / Pool	11,107	16,580	27,687
Angling	11,355	14,500	25,855
Trampolining	23,801	-	23,801
Other Hockey [inc. Skater/ Roller/Uni]	18,100	-	18,100
Equestrian / Riding	17,633	-	17,633
Skiing	650	16,450	17,100
Archery	9,224	7,814	17,038
Dance / Movement & Dance	11,967	4,200	16,167
Other Martial Arts [inc. Aikido/Taekwando/Ju-Jitsu]	16,002	-	16,002
Motor Sport [inc. Motor Cycling]	2,236	12,651	14,887
Weightlifting	1,450	12,926	14,376
Surfing / Surf Lifesaving	9,005	4,785	13,790
Moutaineering [inc. Caving]	7,064	3,776	10,840
Ice Skating	750	7,500	8,250
Sub Aqua	5,600	400	6,000
Ten Pin Bowling	-	5,487	5,487
Baseball	2,886	850	3,736
Rugby League	2,697	-	2,697
Curling	1,025	1,500	2,525
Sports Trainers	-	1,807	1,807
Waterskiing	-	1,500	1,500
Volleyball	629	-	629
Total	6,919,097	4,440,492	11,359,589

Appendix E

Council response on action in support of the Plan for Wales 2001 and the Culture Strategy

CYMRU'N CREU – 13 FEBRUARY 2003

SPORTS COUNCIL FOR WALES (SCW) ACTION IN SUPPORT OF THE 'PLAN FOR WALES 2001' AND 'CULTURE STRATEGY' TARGETS

'Plan for Wales 2001' targets with potential for direct input from SCW activities:-

By 2003/4

-have 500 schools participating in Healthy Schools programmes and 70 workplaces achieving the Corporate Health Standard

SCW is supporting this objective through its work on, and resulting action plans from, the PE and School Sport Task Force and the Healthy and Active Lifestyles Task Force.

-Tourism spend in Wales to recover sharply

SCW is supporting this objective through its specific involvement in developing the successful bid for Wales to host the Ryder Cup in 2010. More generally, it is also working with the Wales Tourist Board to develop a Sport Tourism Strategy and with the Welsh Assembly Government in developing a Major Events Strategy. Marketing of the activities and events at SCW's facilities at WIS and Plas Menai continue to attract tourist trade to their respective locations.

-all 22 local authorities have an effective community planning process in place including action planning in full collaboration with partners and communities

SCW's local development services officers meet regularly with LA leisure services staff to provide input into the development of sport and recreation plans within the overall community planning process. Regular contact is also maintained through meetings with the Chief Officers responsible for leisure services to ensure consistency of strategic direction for sport development at local level. The SCW research surveys that monitor sports participation rates in Wales have been expanded to provide data at LA level which is used to prioritise local action planning.

-promote integrated tourism, leisure, community regeneration and environmental projects

SCW continues to promote and support partnership funding for community regeneration projects where sport and recreation can play an enabling role in furthering objectives that go beyond sports development such as social inclusion. SCW Development Officers are engaged in outreach sports development work in Communities First areas. Over £5 million of SPORTLOT funding has gone into Communities First areas.

-increase extra-curricular participation in sport by 7-16 year olds to 80%

The strategic measures for children's participation are monitored by biennial surveys commissioned by SCW. Current achievement for children (7-11) and young people (11-16) have reached 77% and 72% respectively against strategy goals of 70% and 60%. Strategy goals were revised upwards to 80% in 2001 to reflect measured achievements. The SCW's programme activities for young people are targeted to achieve these new participation goals, through schemes such as Dragon Sport and Girls First.

-increase sports participation by Welsh adults to 60%

The strategic measures for adult participation are monitored by biennial surveys commissioned by SCW. Current achievement is 57%. The SCW's local development work

programme activities are targeted to achieve this participation growth goal.

-halve the gap between men and women's participation in sport by 2005

The strategic measures for participation rates are monitored by biennial surveys commissioned by SCW. The gap remains fairly constant at about 12% as growth rates have been the same for both men's and women's participation rates. The focus on women and girls within existing programmes and through the Women and Girls Forum, established to help direct action planning, will take time to deliver global change as measured through the adult participation survey. The outputs of programmes like Girls First are being recorded through the young people's survey and should in time influence the younger age group of the adult survey. Current work is focused on school sport, community sport and a publicity campaign to raise the profile of both women's and girls' sport. In Dragon Sport programmes, participation by boys and girls is at the same level, showing that change has taken place at primary school level.

-complete the reviews of all public bodies

SCW is currently assisting in the quinquennial review of its activities which is targeted for completion by March 2003. Phase 1 has already been accepted by the Culture Minister and Finance Minister.

-ensure key business processes are electronic including information services and all consultation exercises, by 2003

SCW has a well established ICT infrastructure that supports its key processes. It has established its own web site and this continues to be developed within current funding constraints. Work is in hand to ensure that key information documents are available in electronic format although more could be undertaken to provide electronic application services if additional funding were available. Specific action in the past two years has included replacement of both operating system software and hardware and conversion to software packages that are more compatible with key partner's software to enable electronic interchange. In addition, a new corporate database and grants management system which will enable greater transparency of these organisational processes is currently being introduced.

By 2010

-give every child the benefit of a full prospectus of out of school activities combining volunteering, enterprise, cultural, sporting and outdoor activities

SCW's Dragon Sport and Girls First programmes are giving direct support to this objective and are being expanded as quickly as funding allows. With additional funding provided by the Education Minister SCW's role in managing the implementation of the PE and School Sport action plan will have a direct impact on the delivery of PE and school sport. Over the next three years, it is planned to establish up to 88 PE and School Sport Development Centres.

-increased life expectancy and reduced death-rates from major and long-term illness, especially in our most deprived communities

Indirect support is given to this objective by encouraging and developing sports participation as the health benefits of regular moderate physical activity can have a major impact on improving health, particularly in reducing death-rates due to coronary disease. The opportunity for a broader range of health interventions has been provided through the report and recommendations of the Healthy and Active Lifestyles Task Force produced by SCW for the Assembly.

-substantially increase international knowledge and appreciation of Welsh music, film, art, drama, cultural heritage and sport

SCW contributes through the performance of its talented sports men and women. Wales' success and profile at the Commonwealth Games is one key measure of success. Wales had its most successful Games ever in Manchester, achieving 31 medals. The SCW also hosts

over 100 major events at WIS per annum and supports Governing Bodies of sports to host national and UK events at other major facilities in Wales. Equally, investment in sports development at local level helps to sustain sporting heritage within local communities.

-satisfaction with the services provided by the Assembly, its sponsored bodies, local government and the NHS should exceed 90%

SCW commissions its own research into its partners perceptions of the services it provides.

'Culture Strategy for Wales' actions with direct input from SCW:-

By 2001-02

-the working party on Healthy and Active Lifestyles, will bring the key agencies in Wales together to focus jointly on preventative actions and to prepare an agreed Vision for the future health of the nation and health services

The report of this Task Force was presented to the Assembly in October 2001 and an action plan has been developed by the Health Promotion Unit.

-to establish opportunities for all people to take part in sport within the community, with a focus on children of school age

This objective is a fundamental of SCW's "Strategy for Welsh Sport – Young People First". The strategy was given wholehearted support by the National Assembly in 1999 with members emphasising the importance of focusing upon 'Social Inclusion' and 'Gender' issues. These two themes are now fully integrated into the Council's work. Meanwhile, whilst still acknowledging the valid objective of sport for all, this is balanced within the Strategy against the higher priority and long term potential benefits to be gained from a strong focus on young people, particularly those of school age. The strategy sets out the strategic targets for sport in Wales through to 2005.

-to continue to support the essential volunteer resource through funding of training and coaching development and aiming to increase the number of volunteers significantly in support of new programmes targeted at children of school age

A key role for SCW is to increase volunteering as the voluntary sector plays a crucial role in the delivery of sport in Wales. The SCW's current programmes require a growth in volunteering to support sports development within communities. A full range of training is being made available to encourage, support and develop these essential volunteers. The main drive behind Dragon Sport is the recruitment of parents of young children as volunteers. The Council is also working closely with its partners in the voluntary sector including agencies such as the Welsh Sports Association (WSA), the Welsh Association of Local Sports Councils (WALSC), the Wales Council for Voluntary Action (WCVA) through its Volunteer Partnership and is an active Management Board member of the Wales Funders' Forum.

-to review the co-ordination of sporting provision for people with disabilities at local level and fund, through SPORTLOT, local authority development officers with a focus on the development of sport specific disability clubs

The SCW has significantly extended its partnership with the Federation of Sports for the Disabled (FSAD) and funds two development officers and a national manager, based at the Welsh Institute of Sport, along with the necessary administration support. This includes a National Performance scheme which aims to support talented disabled competitors through a wide range of talent identification and development programmes, and, a Local Development scheme, Disability Sport Cymru, which aims to create and/or develop new and existing clubs to increase participation among disabled people. Funding has been made available at local authority level for the employment of 22 part-time development officers to develop the club scheme at community level. In September, FSAD launched its strategy setting out specific performance indicators and targets. This is being supported by SCW through an investment of over £1 million over two years.

By 2002-03

-to carry out in consultation with the WLGA an audit of cultural venues (including sports venues and community facilities), their geographical spread and reach, in order to create a balanced, evidence-based investment programme for the period to 2005. The audit will build on the work already undertaken by ACW and SCW

The SCW maintains, through periodic surveys, two databases to monitor provision of 'built' sports facilities and 'natural' sports facilities across Wales. This information informs grant making decisions within SCW's control and is made available to local authorities for planning purposes.

-to improve the linkage between the various forms of cultural activity and cultural enterprise development by helping to develop related businesses

Where appropriate, SCW collaborates with partner organisations and the commercial sector in the development of sports related businesses through its grants/funding schemes.

-to require ASPBs to appoint officers with specific responsibilities for liaison with local authorities

The SCW employs development officers whose specific roles include liaison with local authorities.

-the Physical Education and School Sport Task Force will oversee the implementation of the Task Force Report approved by Ministers, including the appointment of a national co-ordinator to drive forward developments to improve and develop PE in schools, continuing professional development for teachers and the establishment of pilot curriculum development centres

Following the Assembly's acceptance of the report and action plan prepared by the PESS Task Force, the Council welcomed the opportunity to coordinate and manage the implementation of the action plan. The Assembly has agreed to invest £5 million in the implementation of the PESS plan. A manager has been appointed to co-ordinate the delivery of the plan and 88 PE and School Sport Development Centres are being established over the next three years.

-to implement an action plan designed to help address the imbalance in participation between boys and girls

This objective is being progressed through proactive targeting and prioritisation within the Dragon Sport programme and through the Girls First. Over 620 schools (up to September 2002) have joined Dragon Sport creating new opportunities for over 40,000 primary school age children. SCW's surveys of this age group show that boys and girls participation rates are now the same. Around 180 schools have become involved in Girls first and over 5,600 girls have participated in initiatives. Wider support is being given through the Women and Girls action plan that addresses school sport, community sporting structures and the profile of women's sport.

-to assist clubs to ensure that they are well prepared to look after children and will adopt a child-centred approach in their work

Junior Club development is targeted at this objective by providing funding and recognition for those clubs that meet defined minimum standards in the provision of club activities for children. Over 50 schemes are in progress. Additionally, SCW has funded a joint post with the NSPCC to provide advice and guidance to clubs and governing bodies on child protection issues.

-to produce plans for ensuring compliance with the Disability Discrimination Act

The SCW has upgraded its buildings, as far as is practical, to meet current access regulations and has specifically catered for the needs of the disabled in its proposals for refurbishment of WIS. A positive approach is taken to disability throughout SCW's employment practices (through Positive About Disability) and recruitment procedures and in its work with FSAD and

the Disability Sport programme. In addition, priority is given to creating opportunities for disabled people within the assessment of all grant applications in support of the broader equal opportunities criteria. However, funding is not available simply to comply with new statutory requirements.

By 2003-04

-new initiatives will be taken to encourage young people to continue to be involved in sport by applying the principles of Dragon Sport to children in secondary schools

This objective is being met through the Girls First programme funding that is encouraging secondary schools to provide new and additional physical activities and sports opportunities for girls. Around 180 schools have signed up to the scheme to date.

-to produce plans to promote cultural diversity

The SCW has made equal opportunities a generic requirement in all of its grant schemes and funding programmes. It is specifically targeting socially excluded communities, disabled people and minority ethnic groups through appropriate modifications within each of its funding programmes to ensure that barriers to equal access to sport and physical recreation opportunities can be overcome. The Council approved a Race Equality Scheme for SCW at its meeting in September 2002 including a three year action plan. This covers employment issues, recruiting more individuals from ethnic minority groups onto its panels and increasing financial support to minority ethnic communities.