

Impact case study (REF3)

Institution: Birkbeck, University of London
Unit of Assessment: 17, Business & Management Studies
Title of case study: Reforming governance in the UK non-profit sport sector
Period when the underpinning research was undertaken: 2011-2018
Period when the claimed impact occurred: From 2014 to present
Is this case study continued from a case study submitted in 2014? N
<p>1. Summary of the impact</p> <p>Governance in sport has become increasingly important over the last ten years, with a number of high-profile sport organisations facing media and governmental scrutiny after allegations of doping, bullying, abuse, and mismanagement. Since 2011, a programme of research led by Dr Richard Tacon and Dr Geoff Walters at Birkbeck, University of London, has worked to understand and improve board-level governance in sport organisations throughout the UK and to improve diversity and inclusion on boards. Through sector-wide reports, in-depth case studies, workshops and training, they have facilitated major policy changes, raised the level of public debate, improved organisational practice and contributed to greater diversity and inclusion across many different sports.</p>
<p>2. Underpinning research</p> <p>In 2011, the Birkbeck Sport Business Centre published the first national survey of board-level governance in the UK non-profit sport sector [1]. The survey examined national sport governing bodies and provided a detailed overview of their board structures and processes.</p> <p>Immediately following the launch of the survey, Dr Tacon and Dr Walters were invited to begin in-depth case study research into one national governing body, BaseballSoftball UK. Senior members of the organisation wished to improve its governing processes with the help of independent, expert advice. In two waves between November 2011 and June 2014, Dr Tacon and Dr Walters directly observed board and committee meetings, interviewed board members and executive staff, and analysed organisational documents. They wrote reports, made presentations to the board, and published a series of academic articles that drew on the case study findings and wider research into non-profit sport ([2], [3], [4]). Following on from this initial period of research, in 2016 the board of BaseballSoftball UK asked Tacon and Walters back to conduct a formal, independent board evaluation. They carried out another series of observations, interviews, and focus groups, and submitted a final report to the board.</p> <p>The first of the research articles to be published from this project [2] showed how macro-level processes of modernisation in the non-profit sport sector from the 1990s onwards shaped how board members perceived and enacted their roles. It found board members now emphasise their financial and strategic responsibilities while de-emphasising their traditional, boundary-spanning roles, raising important questions about accountability. The second article [3] examined this issue of accountability directly and from an explicitly process-based perspective. It showed how board members across the non-profit sector are compelled to enact 'upward accountability' to funders, and how they struggle to balance this with 'downward accountability' to members. The third article [4] examined the wider process of 'codification' in the non-profit sport sector. It traced the emergence and institutionalisation of codes of governance and examined how this has influenced governance practices.</p> <p>The 2011 survey also directly informed the development of the <i>Voluntary Code of Good Governance</i>, published in the same year by the Sport and Recreation Alliance, the representative body of the voluntary sport sector in the UK. In 2014, Tacon and Walters were asked to examine the specific impact of the <i>Voluntary Code of Good Governance</i> on organisations in the non-profit sport sector. Three years after the <i>Code</i> was published, 80 organisations had signed up to it. Tacon and Walters' report [5] examined how these organisations had heard about the <i>Code</i>, how and how far they had implemented it, what challenges they had faced, and how they felt it could be improved. A follow-up report, <i>The</i></p>

Code for Sports Governance: Evidence from the sport sector, was published in December 2018.

Finally, in 2017 Tacon and Walters conducted joint research with Moore Stephens, the top-ten accounting and advisory network, into governance among UK-based non-profit sport organisations. This was published in 2018 as *The State of Sports Governance* [6].

3. References to the research

[1] Walters, G., Trenberth, L. and Tacon, R. (2011) The role of the board in UK national governing bodies of sport, *Birkbeck Sport Business Centre Research Paper Series*, 4:2, 1-30. <http://www.sportbusinesscentre.com/wp-content/uploads/2012/08/NGB-Board-Report2.pdf>

[2] Tacon, R. and Walters, G. (2016) Modernisation and governance in UK national governing bodies of sport: How modernisation influences the way board members perceive and enact their roles, *International Journal of Sport Policy and Politics*, 8:3, 363-381. <http://dx.doi.org/10.1080/19406940.2016.1194874>

[3] Tacon, R., Walters, G. and Cornforth, C. (2017) Accountability in non-profit governance: A process-based study, *Non-profit and Voluntary Sector Quarterly*, 46:4, 685-704. <https://doi.org/10.1177/0899764017691637>

[4] Walters, G. and Tacon, R. (2018) The 'codification' of governance in the non-profit sport sector in the UK, *European Sport Management Quarterly*, 18:4, 482-500. <https://doi.org/10.1080/16184742.2017.1418405>

[5] Walters, G. and Tacon, R. (2014) *An impact report on the Voluntary Code of Good Governance for the Sport and Recreation Sector*, report for the Sport and Recreation Alliance, London: Birkbeck Sport Business Centre.

[6] Moore Stephens and Birkbeck Sport Business Centre (2018) *The State of Sports Governance*, London: Moore Stephens. <http://www.sportbusinesscentre.com/wp-content/uploads/2018/03/FINAL-REPORT-the-state-of-sports-governance.pdf>

4. Details of the impact

The sector survey undertaken by Tacon and Walters in 2011 [1] and the impact report, which they completed in 2014 [5], have underpinned a series of reforms to the UK sports governance landscape. During the assessment period, major sporting bodies across the country have introduced transformative new governance frameworks, all of which cite Tacon and Walters' work. Organisations throughout the non-profit sport sector have responded by making major changes to their organisational governance structures and processes, improving conditions not only internally but for 'the millions of people who play or give their time to sport every week' (SRA annual report, 2017/18).

Influencing policy and practice

Tacon and Walters's 2011 survey [1] was instrumental in the development of the *Voluntary Code for Good Governance* (Sport and Recreation Alliance, 2011), a governance code for the UK non-profit sport and recreation sector [A], with the findings feeding into what the principles of the code should be [B]. This code was revised in 2014, following Tacon and Walters's impact report [5].

In the 2015 *Sporting Future* strategy, the UK government recommended the introduction of a mandatory governance code for the sport sector, arguing that a stronger governance framework in the UK would deliver better value for money on the public funds put into sport; give the sector greater credibility; and curb illegal activity and corruption both in the UK and internationally (by giving the country more credibility and a stronger voice when intervening in international debates). Following this recommendation, the *Code for Sports Governance* was jointly introduced by Sport England and UK Sport in 2016. The Sport and Recreation Alliance's *Voluntary Code* laid the foundations for this new mandatory code. The work Birkbeck did has therefore been integral to shaping the sport governance landscape and the policy work that has been done to improve the governance in the sector [B].

The extent of this work has been substantial. As of April 2017, all organisations applying for public funding from UK Sport or Sport England must demonstrate their compliance with the *Code for Sports Governance*. UK Sport funds 44 National Governing Bodies (NGBs) in a four-year cycle which mirrors the Olympic timetable, disbursing a combined £299 million across the current summer and winter Olympic funding rounds (2016-2020, 2018-2022). Sport England funds 57 National Governing Bodies, also in a four-year cycle, with a planned investment of £238 million between 2017 and 2021. Each of these National Governing Bodies has made changes to its structure and organisation in order to comply with the code.

But Tacon and Walters's influence extends beyond the funded NGBs. Sport England reports that when 'charities, local sports clubs and County Sports Partnerships' are taken into account, 'More than 600 sporting bodies across England... need to comply with the code' [J]. Elsewhere, voluntary codes continue to cover those parts of the sector to which the mandatory code does not apply. In 2017, the Sport and Recreation Alliance published the *Principles of Good Governance*, a successor to the 2011 & 2014 *Voluntary Code* designed to supplement the mandatory *Code* by providing guidance to smaller, non-funded National Governing Bodies. By January 2019, an additional 35 National Governing Bodies had signed up to the *Principles*, gaining access to a suite of training tools and programmes intended to support them in improving their governance structures. These training programmes have themselves been directly influenced by Tacon and Walters' work. The Head of Governance at the Sport and Recreation Alliance reports that Tacon and Walters' research into the impact and implementation of the *Code* enabled [them] to review current work and identify knowledge/training gaps in the sector and therefore aided [them] in improving [their] support offering to [their] members [D]. Tacon and Walters have delivered such training directly: funding from UKRI supported a March 2019 training event in partnership with the SRA, which was attended by 38 volunteers from small, grassroots sports organisations (a traditionally hard-to-reach group). Meanwhile, the Scottish and Welsh regional governing bodies for sport both maintain voluntary governance codes which cite Tacon and Walters's research and which facilitate the development of good governance at the regional level.

Tacon and Walters were able to take a more in-depth approach to their work with BaseballSoftball UK. This collaboration (which ran from 2011 until 2014, with follow-up research in 2016) has influenced ongoing practice in the organisation. The BaseballSoftball chief executive states that the formative work of the 2014 report prompted him to encourage a focus on strategic, rather than operational, concerns. He also lists a number of concrete governance changes made in response to the Birkbeck researchers' recommendations; including the routine issue of role outlines to new board members, a regular schedule of evaluations, and extensive changes to the ways in which board meetings were run. [E] Many of these alterations were formalised in a set of 'Articles' adopted in October 2017.

Case study reports from a number of funded and non-funded National Governing Bodies demonstrate that the voluntary and mandatory *Codes* have had a similar effect across the sector. The board of British Orienteering (a sport in which over 40% of participants are female) has now attained gender parity, with a board structure of 2 women and 7 men in 2011 becoming 5 women and 4 men by 2018 [I]. The British Kickboxing Council re-engineered its board structure to separate the board of directors from the executive board, a change 'which has... increased efficiency and brought new expertise' [J]. In 2015, Skateboard England used guidance from the *Voluntary Code* to establish a brand-new National Governing Body for what will in 2020 become an Olympic sport [I]. And since 2013, the non-funded British Parachute Association has worked with a specialist sport governance consultant to apply the *Voluntary Code*, the *Principles*, and the results of the Birkbeck impact study to its governance structures, reporting a direct impact on board competence. This is particularly significant in 'a sector... growing in complexity and size' [K], where sporting organisations are increasingly expected to supplement public funding with private fundraising (as outlined in the *Sporting Futures* strategy), and where expectations of the transparency and accountability of their governing structures are accordingly high [6].

The reach of these and similar impacts is considerable. The Football Association, one of the largest NGBs funded by Sport England, states that 1.6 million people play affiliated football

each week. England Athletics reports 430,000 regular participants in its activities. Even at the smaller end of the scale, British Orienteering had 10,266 members in 2018 and reported approximately 150,000 participants in its registered events.

Increasing diversity

A 2019 report for UK Sport and Sport England [L] found that gender diversity in governing bodies across the sector has increased significantly following the *Code's* introduction, with women now accounting for 40% of board members (up from 32% in 2016).

However, diversity remains limited in other respects. The report found that only 5% of board members identified as BAME (the ratio is 13% in the UK population as a whole) and 5% reported that they have a disability (where the whole-population ratio is 22%). Only 43% of board members had attended comprehensive schools (compared to 88% of the population at large). These underrepresented groups are also underrepresented amongst sport participants, missing out on the multiple benefits that regular practice of a sport provides. Increasing diversity on governing bodies enables them to better represent and understand the needs of groups not yet engaged with sport. It is not surprising, then, that 'the need to achieve diversity is one of the highest-profile requirements of sports governance' today [6].

In 2018, Sport England were allocated £400,000 of government and National Lottery funding to increase diversity in sport governance, through a programme begun in April but formally announced in September 2019. In the period up until June 2021, this initiative will identify and train suitable candidates from marginalised groups into a state of 'board-readiness' and encourage national governing bodies to recruit from this pool. Tacon and Walters were invited to help deliver the programme on the basis of their acknowledged expertise, taking responsibility for the design of four online training modules that will help the participants to understand the importance of good governance to the UK sport sector and the role of the board within this.

By July 2020, 163 people had been recruited to the project, of which 60% identify as female, 64% are from a BAME background, 18% declared a disability, 8% identify as LGBTQ, 22% show indicators of a low socio-economic background, 29% follow a religion or belief other than Christianity and 8% are under the age of 35. Although the objective of the project is to identify and enable a pool of diverse 'board-ready' candidates, rather than have candidates find board positions (as this is beyond the control/scope of the project), by July 2020, 24 candidates had in fact been appointed to boards in the sport sector, including to national governing bodies, Active Partnerships, and national sporting organisations.

Due to Covid-19, it was not possible for Tacon and Walters to hold face-to-face engagement events for the project, so instead they consulted with colleagues at executive search firm Perrett Laver and developed four online research-led seminars, with three held in May, June and July. These drew directly on Tacon and Walters' three academic articles [2], [3], [4] and fostered in-depth discussions among candidates. 21 candidates attended the three sessions, from a range of backgrounds, including corporate sales, legal, communications, marketing, finance, HR and digital and technology. Some present had experienced non-executive, committee or advisory roles in their own sectors, or the third sector, and some were newly-appointed directors within sport through the support of the wider project.

Beyond the sport sector

Tacon and Walters's work on sport governance has also had an impact beyond the sector itself. A policy officer at the Chartered Governance Institute (ICSA) developed an interest in their research after attending the March 2018 launch of their report with Moore Stephens [6]. He invited Tacon and Walters to write about their work for the Chartered Governance Institute's magazine, *Governance and Compliance* (which has a circulation of c.20,500 readers across diverse sectors) and to speak at an Chartered Governance Institute workshop in May 2018 (which was attended by 41 representatives of governing bodies, sport agencies, and charities). Their research was also subsequently cited in two Chartered Governance Institute reports: *Organisational Culture in Sport* (2018) and *The Future of Sports Governance* (2019).

[name redacted] testifies that these contributions benefited the Chartered Governance Institute itself by increasing its perceived authority. ('Audiences value both the weight of academic research and hands-on, practical knowledge gained first-hand, so it is important for us to be able to present both'.) He also states that his own practice changed as a result of his interaction with Tacon and Walters's work, reporting that he has drawn on their case study research [2] in his work as a member of the Steering Group for the Charity Governance Code. This is 'a practical tool designed to help charities and their trustees develop high standards of governance' (charitygovernancecode.org) as they process their share of the £10 billion donated annually to charities in the UK and, per a 2019 report, is currently in use by an estimated 44% of UK charities (*Decoding the Charity Governance Code*, RSM). A better understanding of what works in terms of implementation will be essential to ensuring the code's continued uptake. As [name redacted] observes, 'Cross-sectoral learnings of how to apply codes... is [sic] key for the implementation of improved governance' [C].

Perrett Laver, the executive search firm with whom Tacon and Walters worked on the Diversity in Governance project, has also been influenced by the collaboration in ways that extend beyond the sport sector. A Senior Consultant testifies that the experience of working with Birkbeck on the project made Perrett Laver a more outward-facing firm [F]. She highlights new collaborations in other sectors (e.g. with [redacted public sector clients]), which have allowed the firm to tackle sectoral issues and bring people together [F], increasing their understanding of the sectors in which they work and therefore improving executive and board-level recruitment and governance across them all.

5. Sources to corroborate the impact

Testimonials

- [A] Testimonial from Managing Director at [redacted consultancy], previously at UK Sport, Sport and Recreation Alliance, Sport Wales.
- [B] Testimonial from Governance Manager, Sport England
- [C] Testimonial from Policy Officer, ICSA: The Governance Institute
- [D] Testimonial from Head of Governance (Interim) at the Sport and Recreation Alliance
- [E] Testimonial from Chief Executive, BaseballSoftball UK
- [F] Testimonial from Senior Consultant, Perrett Laver

Reports and policy documents

- [G] Sport and Recreation Alliance (2014), *Voluntary Code of Good Governance*
- [H] UK Sport and Sport England (2016), *Code for Sports Governance*
- [I] Sport and Recreation Alliance (2017-20) *Principles of Good Governance* webpage <https://www.sportandrecreation.org.uk/governance/the-principles-of-good-governance/>
- [J] Sport and Recreation Alliance (2018) *Annual Report 2017-18*
- [K] ICSA (2019), *The Future of Sports Governance: Beyond Autonomy*
- [L] Inclusive Boards (2019) *Diversity in Sport Governance: Annual Survey 2018/19*