

Leaders Committee

London Youth Games

Item no: 7

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Summary

The attached briefing from the London Youth Games (LYG) Foundation provides Leaders with an update on:

- The finances of LYG, including efforts to replace funding from the previous sponsor of the Games, Balfour Beatty;
- Changes to the governance of LYG, so that it complies with Sport England's new Code of Governance. The briefing suggests new ways to keep boroughs informed about the Games, including a formal annual report to Leaders.

The briefing also canvasses the potential for individual boroughs to fund the London Youth Games at the current level of £7,000 per borough per year in 2018/19 and 2019/20. The subscription rate will be formally set at the LYG Annual General Meeting (AGM) on 5 December 2018.

LYG plan to write to all Leaders setting out this information formally.

Recommendations That Leaders note the briefing from London Youth Games.



Introduction

1. London Youth Games Foundation manages a competitive framework of sporting events for Boroughs and schools, supported by an award-winning volunteer programme, across London. Every year we provide the events and overall structure for over a hundred thousand young people from across all of London's boroughs and the City of London to take part in sport and competitions of the highest quality. This enables young people to come together, proudly representing their borough communities, in a safe, inclusive and supportive environment – one where they are able to find out just what their best can be when they strive together as part of their borough team. London Youth Games celebrated its 40th anniversary in 2017. This briefing note updates Leaders on two important issues, finances and governance.

Finances

2. As you may be aware, we had a long-standing partnership with Balfour Beatty who provided a substantial proportion of the cost of the Games. However, as a result of their financial situation, that came to an end and we have been seeking to replace this funding. From the start of this process, the Board of LYG have been clear that, given the financial pressures we know all boroughs are under, we would not seek any additional funding from boroughs. The membership fee which boroughs pay has stayed at the same level (£7,000) for the last 4 years, having actually been reduced slightly from £7,200 the last time it was looked at. The Board have also been clear that LYG needs to live within its means. Without additional funding, the consequence of this would be a possibly significant reduction in the programme of events that we put on over the 10 months of the Games Year.
3. In other attempts to reduce the demands on officers in the London local authorities, we have also made the entry processes as streamlined as possible. This has culminated this year in the introduction of a new IT platform. This has been developed with the support of London Sport and, as well as making the entry process more efficient, it will also enable us to improve the experience for young people and engage with them more directly. Hopefully this will enable us to drive increased levels of physical activity in various ways.
4. Following discussions over recent months with both public and private sector funders we are hopeful that we have managed to plug the hole from the Balfour Beatty funding. Discussions are at an advanced stage and we are extremely hopeful that we can conclude this satisfactorily. At this stage, negotiations are commercially confidential but Leaders will be updated as soon as we are able on the details and implications. If we are successful it will mean we can continue to provide the opportunities for young people from each of your boroughs to take part at the same scale as we have done in recent years. Indeed, our ambition is to enhance our programme, particularly in relation to those less likely to take part in active sport. Developments in this respect will be made discussion with Borough representatives.
5. One of the attractions of LYG to our putative private sector partner is the engagement of all 33 local councils in London. We would very much like to confirm that this will be a continued feature. The on-going support of London local authorities is also an important aspect of our funding. If Leaders felt able it would be appreciated if all 33 borough members were to commit now to the next two years (the 2019 and 2020 Games Years) of funding at this same level of £7,000 per annum, with LYG continuing to commit to find other funding for any increases in costs.

Governance

6. We have also been reviewing and updating our governance arrangements in order to make sure they are still fit for purpose, especially in the light of the publication of a new Code of Governance by Sport England. Sport England are our major funder contributing nearly twice the combined total of

London local authorities. Even if we manage to conclude the discussions referred to above to secure other funds, they will continue to be so. All bodies which receive funding from Sport England need to comply with this Code. We see ensuring compliance with this Code as an opportunity to ensure we are at the forefront of good governance in the sector.



7. Our governing documents currently provide that our legal status as an organisation is as a company limited by guarantee, with each of the boroughs as members (effectively our 'shareholders'). This means that each borough should select a "member representative" who can attend and vote at our AGM on behalf of the borough (our next AGM is December 5th 2018). Our Board comprises of "up to 7" borough representative trustees (as elected to the board by the rest of the boroughs at the AGM) and "up to 7" independently recruited trustees. The actual number of London local authority representatives on the Board has varied over time. In recent years, given what we realise are ever increasing demands on councillor time, we have not always found it easy to recruit borough member representatives to sit on the board. This has caused some challenges from a governance perspective.
8. In the Sport England Code, there are particular requirements around the size, make up and diversity of boards. Firstly, the Code requires boards to have a maximum number of 12 members (our maximum is 14). In addition, one of the further, very positive, requirements from the Code is that we have to ensure an appropriate level of diversity of both skills and representation on the board. With the nomination of local authority trustees out of our hands, it can be a significant challenge for us to manage this.
9. In parallel with the Sport England changes, LYG recognises that it has the opportunity to improve accountability to you, and your visibility of the impact of our work on young people, as the Leaders of our member boroughs.
10. With all of this in mind, we are proposing the following changes to our governance arrangements. On the basis of our discussions with Sport England we believe that this will allow us to be compliant with their requirements whilst also providing for strong engagement with our local authority members:
 - LYG will submit a formal annual report directly to you as Leaders, to the councillors who are your member representatives, and to your Chief Executives. We will work with London Councils to agree the structure of this report to ensure it provides the information you require. It will, of course, detail the work of the Games during the previous year and our plans for the future, and provide detailed evidence of what we have achieved. This would be issued in September / October of each year;
 - in order that we make it easier to ensure we have a fully populated board, which has a full diversity of skills and backgrounds, that we increase the number of independently recruited trustees on our board to 9. This would reduce the number of borough representative members to 3;
 - since councillors on the board lost their seats in May, there has only been one borough representative and so we would ask that you continue to encourage your borough representative councillors to consider joining our board to help shape our future direction and to ensure we are delivering what boroughs want – in particular, we would like strongly to encourage women and those from a Black and Minority Ethnic background to consider joining the board. As mentioned above our next AGM is 5 December; and
 - that we continue to work with the appropriate officers in your councils to improve the operational accountability and engagement with boroughs. How we do this will then constitute a part of our annual report to you.



Conclusion

11. The current trustees believe very strongly in the work of the Foundation, the positive impact that it has on those young people in your boroughs who take part, and the vital importance of your continued high level support for the Games. We want to continue to grow and improve the experience of those taking part, especially to help deliver against the health, personal and community development objectives which we know are important to you. We believe that the proposed approach, the funding from third parties along with your continued commitment, will help to safeguard the future of the Games for the next generations of young people to take part.
12. LYG Foundation looks forward to continuing to work together to ensure the success of the Games for the next 40 years.