



## **EIHA/IHUK Joint Steering Group Governance Report**

## **Background**

### 1. General

For some years ice hockey in the UK has been wrestling with finding the best structure to take the sport forward.

The sport is played at a professional level in the UK with the Elite Ice Hockey League, whilst the amateur, recreational, junior and women's provision is delivered through the various associations across the UK as outlined below.

Ice Hockey UK (IHUK) is a Full Member National Association (MNA) of the International Ice Hockey Federation (IIHF) and is recognised by the IIHF, the British Olympic Association (BOA) and the five Sports Councils (Sport England, Sport Northern Ireland, **sportscotland**, Sport Wales and UK Sport) as the National Governing Body (NGB) for the sport of ice hockey across the United Kingdom. As the Full MNA and the recognised NGB, IHUK governs and manages the sport of ice hockey across the United Kingdom; and is bound to observe the Statutes, Bylaws and Regulations of the IIHF and is required to be representative of the players, clubs, game officials and regional ice hockey organisations across the UK (of which the English Ice Hockey Association (EIHA) is one).

The EIHA is recognised by IHUK and by the Sports Councils as the home nation National Governing Body for the sport of ice hockey in England and Wales. The EIHA has responsibility for the promotion, administration, development, participation and decision-making for the sport of ice hockey within England and Wales.

The Scottish Ice Hockey Association (SIHA) dissolved as a separate organisation and is now part of IHUK. IHUK delegate responsibility for the promotion, administration, development, participation and decision-making for the sport of ice hockey within Scotland and Northern Ireland to a Scottish committee.

At an EIHA EGM at the end of 2017, the EIHA members asked for a review of its governance. The EIHA members also asked the review to consider alternative structuring options for the EIHA including (but not limited to) merging with Ice Hockey UK Limited. An EIHA working group was established for that purpose.

In May 2018, the EIHA working group made a series of recommendations which were endorsed by both the EIHA Board and then the EIHA members in an EGM in July 2018. These recommendations are summarised a little further below.

As a result, a joint steering group involving representatives from both the EIHA and IHUK (including Scottish ice hockey) was agreed and it was asked to consider in more detail how the recommendations from the EIHA working group regarding a new UK body could be put into place.

This report sets out the joint steering group's recommendations on the way forward. This will be consulted on during Q1 2019 with a view to the necessary further steps being agreed by the members of the EIHA and IHUK (including Scottish ice hockey) after that for implementation during the summer in time for the start of the 2019/20 season.

## 2. EIHA working group recommendations

The main conclusion the EIHA working group came to was that the sport should be brought together under one umbrella UK organisation and that a clearer picture was needed of what that UK organisation would look like and how it would operate. At the EIHA consultation meetings, attendees expressed a lack of understanding and trust of the existing organisations and the working group therefore believed it would be best to set up an entirely new UK organisation in order to give everyone the comfort that this was genuinely a new start. The following were the key issues from the EIHA working group report:

### (i) Poor governance

EIHA members felt that the governance and decision-making of both the EIHA and IHUK was currently poor and that EIHA members did not fully trust the Board of either organisation with running the sport. Concerns were expressed about the lack of transparency of decision-making and poor communication with members. EIHA members would prefer to see a clear and joined up decision-making structure, where decisions are then communicated properly, so everyone in the sport understood how things worked, how decisions were made and that they felt engaged in that process.

The members also felt that the EIHA Board was too operational and not strategic enough. They wanted to see a Board that was constituted in line with good governance principles running the sport (e.g. a balanced composition of people from inside and outside the sport, professional expertise and relevant skill-sets). They also wanted to see the Board establishing a clear strategy for the sport and ensuring that the organisation was complying with its legal and other responsibilities. They recognised that these issues potentially applied equally to the EIHA and to IHUK.

### (ii) Too many organisations and a silo approach

Another key issue was the confusion created by having multiple different organisations and sections involved in the sport; each often acting autonomously and in an uncoordinated way. This created inefficiencies and a muddled picture for those involved with the sport. The members understood that there was a role for a UK body, not least because of the link to the international federation and overseeing certain UK responsibilities such as running the GB teams and the work permit system. Some were aware that Scotland had become part of IHUK. In addition, many felt that the different parts of the sport (whether at England only or UK level) too often operated in silos and that it would be better to be coordinated and have

everyone pulling in the same direction. The silo approach both prevented the efficient operation of the sport and stifled its development at every level. The International Ice Hockey Federation supports the need for the EIHA and IHUK to work towards creating a single NGB for ice hockey across the UK.

(iii) Finances

Some members referred to the lack of transparency on finances and not knowing the full picture on where the sport received its income, how it then allocated that across the sport and how much, if any, was retained in reserves. Many also expressed a lack of understanding and trust over cost control for the GB teams at IHUK. This led to concerns about how finances were (and would be) managed, who would oversee the finances in any new structure and who would therefore decide how funding would be allocated and ensure budgets were met.

Whilst ice hockey does not receive any public funding like many other sports in the UK, some felt that improving the sport's governance would at least also put it in a position to apply for such funding if the opportunity arose.

(iv) Other

- almost everyone saw merit in having a UK body which could have one set of finances for the UK, one set of UK policies and be the single umbrella organisation for the sport across the UK, delegating issues to other parts;
- in order to overcome issues of trust and poor governance to date, they also believed it would help to create a new UK body. This would help enable a fresh start;
- the general opinion of those that attended was that the recent success of the men's GB team, whilst fantastic news, had occurred despite the poor governance structure. It did not remove the need to improve the governance; and
- it was important in any new structure to recognise the role of volunteers.

3. Governance in a sporting context

In considering the way forward it is important to recognise that there are generally two forms of governance: corporate governance which is the way organisations are run and how they make decisions; and regulatory governance which is the way the organisation manages and regulates the sport. What is meant by good governance in the context of this report is good corporate governance i.e. the decision-making structures and processes that the sport puts in place to ensure that the best possible decisions are made and communicated. The report does not address the regulatory governance of the sport and actual decisions in relation to specific issues – those will be for the new decision-making structure to address e.g. issues such as league structures, disciplinary decisions for on-ice penalties, selection policies, safeguarding, anti-doping etc. Without addressing the corporate governance and the

framework for decision-making, it is impossible to fix some of the regulatory processes and actual decisions in relation to specific issues.

The key reference for good governance in sport in the UK is the Code for Sports Governance introduced by UK Sport and Sport England in the autumn of 2016. This Code applies to all bodies that receive funding from UK Sport and/or Sport England. Although ice hockey does not currently receive any such funding, the Code is in our view the most appropriate benchmark for ice hockey to follow as it sets out sensible good governance principles. An added benefit, should the sport choose to comply with the Code, is that it will then be in a position to consider applying for funding (subject to meeting the other funding criteria that each of UK Sport and Sport England require). A link to the Code is here: <http://www.uk sport.gov.uk/resources/governance-code>

We have also set out at Annex 1 the five principles of good governance behind the Code and which we recommend are relevant to ice hockey. Annex 1 also sets out the mandatory requirements that we recommend are followed as those are what both UK Sport and Sport England will expect to see if ice hockey wishes to seek public funding.

The UK Corporate Governance Code also sets out some useful guidelines. Even though it is aimed at public listed companies, many of these guidelines could apply to sports organisations and there is therefore much overlap between the two Codes. A link to the UK Corporate Governance Code is here: <https://www.frc.org.uk/getattachment/ca7e94c4-b9a9-49e2-a824-ad76a322873c/UK-Corporate-Governance-Code-April-2016.pdf>

It is important to understand that what all corporate governance principles (including those in both the Codes mentioned above) are trying to do is to set out how organisations can arrange or design themselves (both in terms of structure and process) in order to make the best decisions possible. That does not mean that if an organisation adopts best corporate governance principles it is guaranteed to make the best decisions possible, but it will significantly improve decision-making and will minimise the risk of bad decisions.

## **Approach to the Report**

Following on from the endorsement across the game in the UK of the original recommendations in the report to the EIHA, we have broken our proposals in this Report into the following sections to help stakeholders see how a new UK organisation can be set up:

Introduction

Membership

Board

Game Advisory Group

Elite Game Liaison Group

Finance Structure

Management Structure

Diversity

Transition in Practice and Next Steps

Conclusion

## **Introduction**

It was clear from the consultation that there was general agreement to the report produced for the EIHA and that a single new organisation should be set up to oversee ice hockey across the UK and that the new organisation should comply with the Code for Sports Governance.

Compliance with the Code will ensure that decisions in the new organisation are made in accordance with good governance principles for the benefit for everyone involved in the sport. These principles were set out at Appendix 3 of the report to the EIHA and, given their importance, we have included them again at Annex 1 of this Report.

Compliance with the Code will also put the sport in a position where it could apply for public funding. In order to do this, the sport would need to be able to comply with the mandatory requirements of Tier 3 of the Code. These are set out in more detail at Annex 2.

For these reasons we have used the Code as a guide for our proposals.

## **Membership**

EIHA members have expressed a lack of clarity over the EIHA membership structure which has evolved over some years. Broadly speaking, voting membership originally aligned with clubs but was subsequently changed to allow individual teams to become members when more single team clubs were established (e.g. Recreation or University teams). Clubs felt it was unfair that individual teams were given the same voting rights as multi-team clubs and as a result, multi-team clubs were given the option to register their club as one member or to register their individual teams as individual members. Most (but not all) clubs with multiple teams registered their teams as individual members. The membership policy of individual teams being members is fairer, however the change in membership policy was never widely communicated and as a result inconsistencies remain. For example, some clubs register their club as one member and have only one vote, whereas other clubs register their individual teams as individual members and have multiple votes as a result. It is this confusion and a breakdown in communication that has led to concerns amongst members about transparency and who the members actually are.

The position in Scotland is complicated by the fact that the SIHA has dissolved and there is therefore simply an unincorporated association of clubs in Scotland. At a practical level in Scotland, essentially it is clubs that are recognised as the unit of membership. Constitutionally IHUK is responsible for ice hockey in Scotland (and Northern Ireland) and it delegates that responsibility for the promotion, administration, development, participation and decision-making to a Scottish committee. The Scottish committee still use a membership policy to canvass their members' views on issues.

There are two full voting members of IHUK being the EIHA and Scottish ice hockey (acting through the Scottish committee representing the unincorporated association of clubs). The Elite Ice Hockey League is a non-voting associate member of IHUK.

We have therefore considered how best to move from the differing membership structures above to a consistent one under a new UK body.

In doing so, we have kept the issue of membership fees separate as it is clear that there are different approaches. The issue with fees is also more complicated as it needs to be looked at in conjunction with all different types of fees paid by those who play the sport e.g. player registration fees etc.. This issue should be something that the new UK body, once established, should be asked to look at. We believe the current way membership fees are paid can continue until such time as the new UK body looks at it.

Under the new structure, most decisions will be made by the new Board as is the case with other sports governing bodies and envisaged by the Code. There will be certain issues that will need to be voted on by the members under the new structure such as audited accounts, certain Board elections, overall strategy for the sport and it would therefore be sensible to have a uniform approach on what constitutes a voting member of the new organisation. It is important that the new structure is transparent and as equitable and representative as possible for those that play the sport.

We believe the fairest way of achieving this is for each individual team to be a member of the new organisation. An alternate option of making clubs the voting member would mean that some clubs (and people that play there) would be disadvantaged where they had multiple teams as compared with single team clubs. Another option of grouping clubs/teams together in some way (e.g. Sections) may disguise/hide the views of minority clubs/teams within those Sections. In our proposed membership structure it is still possible for teams to come together within a Section and express a group view but it is up to the team to decide if it wishes to do so or not. By having the voting view of the individual teams, the organisation will receive a

clear representation of the view of those that play the sport which would not necessarily be the case if voting were entirely through Sections or through clubs.

In order that there is some uniformity over how a team is recognised we also propose that a team is a squad of at least 13 outfield players and 1 goaltender. This recognition is simply for the purposes of the voting membership of the new organisation and would not therefore affect issues such as a team's ability or eligibility to play in a league or to have insurance.

Notwithstanding the above, as is the case with all sports, it will be important for the Board of the new organisation to communicate effectively with all the stakeholders involved with the sport and not just the voting members.

## **Board**

### **Role of the Board**

- leads the new UK body as the ultimate decision making body (save for matters reserved to members in general meeting and in law)
- collectively responsible for long term success of the organisation
- setting the long term strategy
- monitoring delivery of the strategy
- approving the long term financial plan and the annual budget
- review of the financial plan and regular monitoring of performance against the annual budget (management accounts)
- review and monitoring of risks
- engagement with stakeholders - two way: listening and communicating; must consider stakeholder proposals/concerns
- self-assessment of its own performance and identification of further training/development
- clear division between the Board (which has an oversight role) and the operational role within the organisation (whether operational role is carried out by volunteers or executive staff)
- Board will typically delegate some of its responsibilities to committees/sub-groups. Important that the Board does this properly and uses existing groups where they are currently working well but for good governance it must be done as a clear delegation by the Board to the relevant committee/group – see later.

## Board size and composition

- 11 members:
  - Independent Chair
  - CEO (ex-officio)
  - 5 Independent appointed directors
  - 4 directors – one for each of England, Scotland, Northern Ireland and Wales elected by their respective members
- The Board should also have the flexibility to co-opt up to 2 additional members if it feels it needs to in order to fill a skills or diversity gap
- For transitional purposes, for the first year only, there will also be the following 5 additional people on the Board (“Transitional Directors”). They will be responsible for helping to create the new Board and for it to settle in e.g. appointing/overseeing the election of the new directors, managing the continuity of finances:
  - IHUK Chair (hands over the Chair to the new Independent Chair once appointed)
  - IHUK independent director responsible for finance
  - IHUK independent director – chosen by the IHUK Board
  - 1 EIHA director – chosen by the EIHA Board
  - 1 Scottish Committee representative – chosen by the Scottish Committee
- Nominations sub-committee should oversee and run the process for appointments/elections to the Board (see section on Board Committees later).
- There should be a general role description for Board members including a reference to a Board Code of Conduct – these could be incorporated into a single document.
- Chair has a specific role specification – Board appoint the Chair based on the best person for the role.
- Use Code definition of independence – see below.
- Board should aim to have a balance of skills, experience, independence and knowledge – use a skills matrix determine where any gaps are.
- Board should be suitably diverse e.g. min 30% each gender represented on the Board – see “Diversity” section later

Code definition of independence: a person is “independent” if they are free from any close connection to the organisation and if, from the perspective of an objective outsider, they would be viewed as independent. A person may still be deemed to be “independent” even if they are a member of the organisation and/or play the sport.

Examples of a “close connection” include: (a) they are or have within the last four years been actively involved in the organisation’s affairs, e.g. as a representative of a specific interest group within the organisation such as a sporting discipline, a region or a home country; (b) they are or have within the last four years been an employee of the organisation; or (c) they have close family ties with any of the organisation’s directors or senior employees.

### Term limits

- All directors (save for the 5 Transitional Directors mentioned above and the CEO who is ex-officio) should be appointed or elected (as appropriate) for a maximum of 2 x 3 year terms with a further 3 year term permissible in limited and exceptional circumstances in line with the Code
- Rotation – important to stagger initial terms a little to avoid having large number of directors leaving/being replaced at same time in the future i.e. some directors will be recruited to serve a 1, 2 or 3 year first term – this will be decided by the new Board as part of the transitional arrangements.

### Chair

- Board appointment, run by the Nominations sub-committee based on a specific role specification/job description so that the Board appoint the best person for the role.
- Independent in line with the Code.
- Role specification/job description for the Chair must focus on the individual's ability to chair a group of people as that's the key role
- For transitional purposes, the current IHUK Chair will be the Chair of the new body as explained above and until the appointment of the new independent Chair

### Independent Non-Executive directors

- Board appoint but process led by Nominations sub-committee who will recommend to the Board.
- At least 25% of Board in line with the Code
- Based on pre-agreed criteria required by Board e.g. marketing, HR, finance, legal/governance, based on a skills matrix
- Open and transparent appointment process with interviews
- One of the independent non-executive directors is appointed to be the Senior Independent Director, responsible for certain responsibilities outlined in the Code e.g. reviewing the performance of the Chair

### Elected Directors

- Elected by the relevant members (see above)
- Role profile drawn up by the Nominations Committee in line with the overall Board skills matrix and to show the requirements and commitments needed
- Nominations Committee to receive applications and to recommend suitability of applicants against the role profile to assist members with their election, but ultimately for the relevant members to decide

### Board conduct (the way it operates)

- Engagement: the Board should develop a strategy for engaging with, and listening to, the sport's stakeholders
- Integrity: the Board should have a Code of Conduct that amongst other things requires all directors to act at all times with integrity
- Conflicts of Interest: there should be a conflict of interest policy and directors should declare their interests annually and on an updated basis so that the Board can manage any actual/potential conflicts appropriately
- Legal compliance and control: the Board shall ensure that it understands any key applicable legal and regulatory obligations and has appropriate policies/procedures in place to meet them
- Financial control and strategy: the Board shall adopt appropriate finance policies and procedures, including the production of annual audited accounts and planning and monitoring the financial performance of the organisation against an annual budget along with a longer term forecast (e.g. 4 years)
- Risk management and internal control: carry out an assessment of the risks to the organisation, establish an appropriate level of acceptance and monitor the risks regularly.

### Board meetings

- Meet regularly and at least 8 times a year
- Maintain a proper record of meetings and decisions and publish appropriate summaries for the members
- Forward plan properly
- Keep strategic and oversight not operational. Operational activity and discussion is left to the individuals/groups to whom it is delegated.

### Board Committees

- Audit & Risk – to oversee the audit requirements and risk management process
- Finance – whilst we are proposing that there is a part time executive finance role, it will also be important to have dedicated sub-committee with a lead director responsible for overseeing finance in a non-executive capacity
- Nominations – to run and oversee elections and appointments of directors. Should include a majority of independent directors and be chaired by the Chair, save when dealing with appointment of the Chair when it can be led by the Senior Independent Director
- The above are standing sub-committees; other standing sub-committees and/or task/finish project groups can be established by the Board
- All standing sub-committees and any task/finish project groups should have clear terms of reference and the latter should be time-bound

### Board recruitment

- Nominations sub-committee oversee this as outlined previously
- There should be a proper induction for new directors so they understand the role, the structure of the organisation and what is required of them

### Development of the Board

- There should be an annual evaluation of skills and performance of both the Board as a whole and of each individual director
- Should be led by Chair backed up by an external evaluation at least every 4 years
- The Chair's performance should be led by the Senior Independent Director (or if unavailable by another independent director)

### Game Advisory Group

Good engagement with members is extremely important in any member-based organisation. To help the new Board with this we propose creating an advisory group for the Board (we have called it a Game Advisory Group as a working title). The Group would draw on the skills and knowledge from within ice hockey, and comprise representatives from players, officials, leagues, coaches etc. We propose that the existing sections/delivery structures would be a good place from which to draw these representatives. The Group should not be too large to ensure there is proper debate and engagement between the members on the Group. We would therefore suggest a maximum of 11 people.

The Group's role is:

- to be consulted on, and to be able to raise with the Board, key strategic and operational initiatives
- to provide a source of expert advice to the Board on key strategic issues
- to work with the Board to promote ice hockey's strategy in the UK
- to work with the Board to promote and uphold the shared values of ice hockey in the UK
- to communicate with the Board through Group meetings at agreed intervals and in specified circumstances, as well as electronically when appropriate.
- to work with the Board to provide members with information on any relevant matter
- the Group's role would be strategic advice for the Board not operational, though it may be that the representatives on the Group are also given an operational role by the Board separate from their role on the Group
- Members of the Group shall be appointed or elected through an open and transparent application process by the relevant Section. The process should be approved in advance by the Board. It will be up to each Section to decide how long each appointment or

election is for and it could be done on an annual basis but it should not be more than 2 terms of 3 years maximum.

- Make-up of the Group:
  - Recreational x 2
  - Coaching x 2
  - Juniors x 2
  - Seniors x 2
  - University x 1
  - Referees x 1
  - Women's x 1
  
- The CEO and/or another Board representative is permitted to attend the meetings to assist the Group with their work and discussions
- The Group should appoint one of its members as the Chair
- The Group should operate on a similar basis to the Board with regular meetings, a proper record of meetings and proposals, forward plan properly, keep discussions strategic and oversight not operational, a code of conduct, conflicts of interest policy etc.
- As the role of the Group is to assist the Board, it is up to the Board to decide on any changes to the terms of reference of the Group or on any queries on how the Group is constituted and how it operates.
- A representative of the Group should be invited to Board meetings from time to time as decided by the Board in order to update and share the Group's work with the Board. This is in addition to a note of the Group's meetings being shared with the Board as a matter of routine.

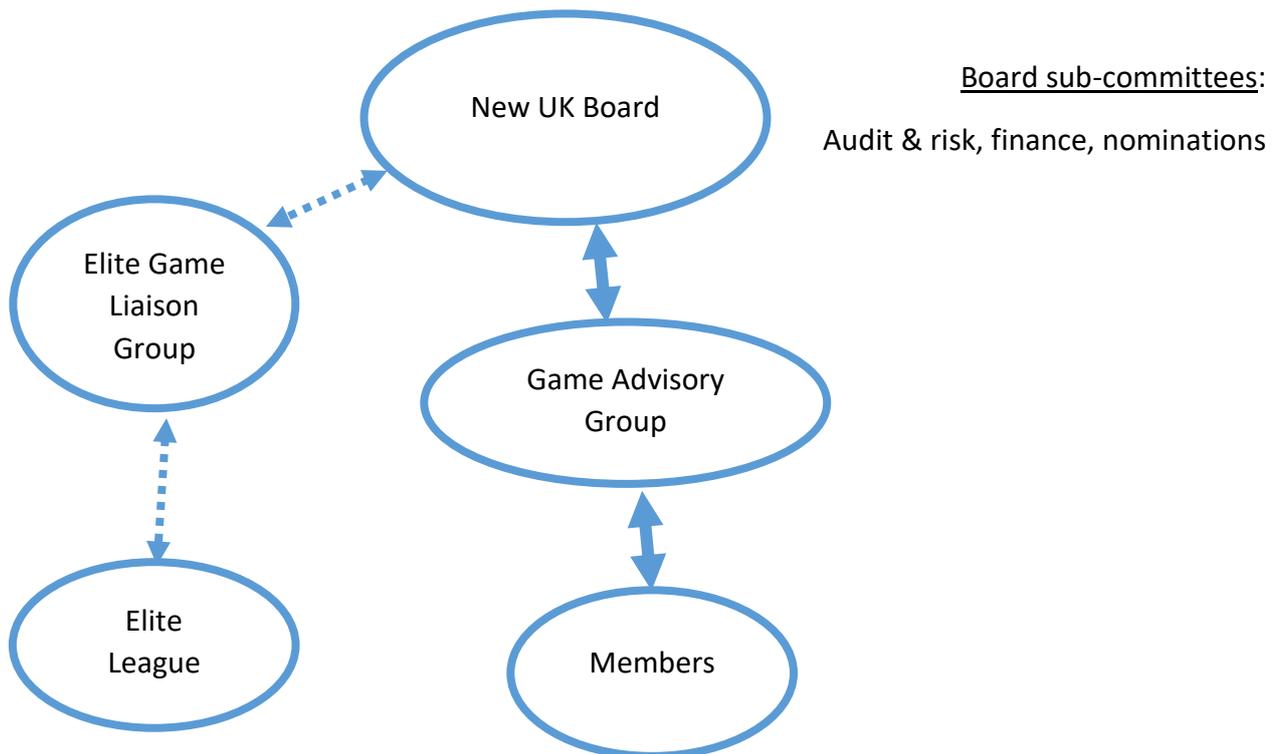
### **Elite Game Liaison Group**

In addition to the Game Advisory Group for the broader game, we believe it is also helpful to establish a smaller group to act as a liaison forum on elite ice hockey in order to help the Board consider the views of the elite game as part of the Board's decision-making.

We suggest that the liaison group comprises 3 representatives of the Board and 3 representatives of the Elite League.

It will be up to the Board to decide how regularly this group should meet but we would recommend quarterly meetings.

The decision-making structure of the new organisation would therefore be as follows:



### **Finance Structure**

Ultimately it will be important for the Board of the new organisation to be responsible for the finances of the sport including the budgeting and control of finances. This is a key responsibility of the Board of any organisation.

We recognise that some concerns have been expressed by stakeholders over the control of finances and the effect of any new arrangements of their section of the sport. In the new structure it will be up to the Board to decide on how to raise funding for the whole game and how to distribute the funding but it will need careful advice and guidance from the Game Advisory Group. Part of the Board's responsibility will be to explain the finances to the stakeholders/members of the sport on at least an annual basis so that it is clear to everyone how finances are raised and how they are used for the benefit of the sport as a whole.

However, in order to help everyone become comfortable with the new structure we propose that the Board commits to the current levels of funding to stakeholders (based on the current levels of income) for a full season (2019/2020). This will also allow the Board to carry out a full engagement with stakeholders during that year and to produce a long term strategy for the sport including the financial implications. It will also enable the process of bringing the various finances together under one umbrella and for the finance position of the old bodies to be properly signed off. From the start of the 2020/2021 season, the Board responsibility

to oversee all the finances should commence in full and without condition so that the new organisation is operating as a single financial body.

The only exception to the above should be that the new organisation find a budget for a part-time CEO and a part time finance person as envisaged in the Management Structure below.

It is also therefore important that the current EIHA and IHUK Boards do not pre-commit the new organisation to financial liabilities beyond what is envisaged above without both of them agreeing.

### **Management Structure**

Based on the available resources, we do not envisage there being a large executive team but there will need to be some executive posts which the Board should decide.

Operational issues will be carried out by the executive along with appropriate volunteer support as agreed by the Board and be carried out in a coordinated manner in line with the strategy set by the Board for the sport.

For example, heads of various sections could be given operational roles and be required to liaise/report on a day to day basis to the CEO/executive. In some cases these heads of section could be the same people as the section representatives on the Game Advisory Group however it would be preferable if the roles were kept separate with different people to help ensure a clear distinction between the strategic role of the Board and Game Advisory Group and the actual operations.

The only changes to the current management structure that we believe will be essential for the new organisation is for there to be a CEO recruited on a part time, paid basis so that he/she takes responsibility for leading the sport through the transitional period and thereafter and the appointment of a paid finance person. Without this, any changes that are agreed may well fail to be implemented and/or be delayed as it will be difficult for a volunteer Board to carry out the practical implementation. On this basis we envisage the current executive management remaining in place, reporting into the new part-time CEO, for the first 2019/2020 season. During that first season of the new organisation the Board and CEO will decide on the management structure for after that first season.

## **Diversity**

- It is crucial that the sport represents the broad cross section of the people that are involved in it as well as shows itself open to everyone whatever their background, gender, ethnicity, ability/disability etc. We therefore propose that the Board should aim to have gender and BAME targets for its directors e.g. min 30% each gender represented on the Board.
- Where it is legitimately hard for the organisation to achieve such targets immediately, it should consider establishing further sub-committees/advisory groups e.g. some sports have created a disability advisory group

## **Transition in Practice and Next Steps**

We have also considered, if the proposals are agreed, how the sport can move relatively smoothly from its current structure to the new one. Part of this has been considering the practical implications on the management of the sport itself while the new structure is put in place.

### **1. Development Working Group Proposals**

In broad terms, during the first year of operation for a new unified UK organisation, the Development working group felt that most of the current arrangements could remain largely unchanged, allowing the new organisation to consult and produce proposals for an appropriate integrated structure moving forward

The Development working group used the unified officials programme as an exemplar/model which should be replicated across Junior, Senior, Recreation, Female leagues etc.

The Development working group endorsed the suggestion that current management model of the GB teams should remain in situ.

Given the recent challenges to the senior league structure, the establishment of a new unified senior league management group should be considered as a priority to drive a coordinated approach to the senior league structure, rules and regulations and management. This group should take the opportunity to review existing rules of play and disciplinary arrangements to provide one consistent approach as an immediate priority.

Forums should be established as soon as possible under the new organisation to ensure that appropriate dialogue takes place to work out suitable similar integrated models for the other sections/elements detailed above i.e. Junior, Senior, Recreation, Female leagues.

## 2. Sports Administration Working Group Proposals

The working group considered the nature of the various existing policies such as safeguarding, anti-doping, data protection along with the range of processes and procedures that exist as part of the administration of the sport, such as insurance, UKBA endorsements, ITCs, fixture management etc.

It is clear that it should be possible to move to a new UK wide organisation without immediately changing how the sport is administered in almost all areas. The new organisation can for the time being adopt and oversee the existing administration processes and this should avoid too much disruption at a practical level for those involved with administering and playing the sport.

However in the longer term this is not the most effective way forward and the working group recognised that the new organisation would need to oversee a careful bringing together of the various parts so that wherever appropriate there was a coordinated UK approach.

To help with this the working group believed it would be worth exploring the use of a quality management system/process such as ISO 9001 to facilitate the transition.

Many of the current policies are very similar though some differences do exist and in time it should not be difficult to create a single set of policies for the whole of UK ice hockey based on best practice that exists in ice hockey and using relevant external examples.

With regard to the range of administrative processes and procedures that currently exist, there will need to be a careful review of where it is, and where it is not, appropriate to create a UK wide approach. There may be some areas where only a UK wide approach will work e.g. UKBA endorsements and ITCs and there may be other areas where a UK wide approach is inappropriate and unnecessary, provided in such cases that the processes and procedures are joined up as required (e.g. safeguarding issues due to legislation in England/Wales and in Scotland being slightly different).

## 3. Engagement with external bodies

We have liaised with the various Sports Councils along with UK Sport, the British Olympic Association and the Sports and Recreation Alliance to ask for their views and to see if there are any specific issues we need to consider as part of this review.

In summary, the responses are very supportive and positive about the proposed way forward. They can see that there are several benefits to streamlining the sport under a single new umbrella governing body: it will enable the sport to drive efficiencies and to make the best out of the resources available to it; it will allow the sport to develop a fit for purpose governance model and they have specifically referred us to the Code for Sports Governance which they urge us to follow; and it will enable the sport to better manage and work with internal and external stakeholders in a coordinated fashion.

UK Sport have added that they would be encouraged to see performance pathways which are connected across the UK to give the best possible opportunity for the Great Britain teams to succeed on the international stage and they can see how the proposals would help with that.

One relatively minor issue is the recognition of the relevant ice hockey NGBs – currently both IHUK and EIHA are recognised NGBs under the Sports Councils’ Recognition Policy. If they are dissolved then we will need to inform the Sports Councils of that and they will no longer be so recognised. A new entity would have to apply to be recognised and would need to meet the relevant criteria. One criterion is that an NGB must have been operating for at least 2 years before the Sports Councils will recognise it, though the Recognition Policy allows for exceptions on application by a sport and the Policy is also about to be reviewed in any event. They have confirmed that this would not affect the sport itself from being recognised as a sport and bodies and clubs in the sport being able to apply for Sport Council funding. So, in practice we do not believe this ought to pose any major problems.

We have also spoken with the UK Border Agency (UKBA) about the impact of the proposals on the current work permit arrangements and they have confirmed that these should not be affected by the proposals and the new UK ice hockey body would simply assume the current arrangements and be the body that UKBA would deal with in the future.

#### 4. New Articles/Constitution

A new constitution will need to be drawn up for the new organisation but the content will follow what is agreed in relation to the proposals above. Once the proposals are agreed it should be relatively straightforward to draft an appropriate constitution e.g. as a company limited by guarantee with members. There may also be certain other considerations such as putting in place a legal mechanism to properly transfer any assets (e.g. intellectual property, data, supply agreements) from both the current organisations over to the new one. Again this only needs to be addressed once the proposals are agreed as these issues are a matter of putting into effect what the sport wants to do.

#### 5. Next Steps

As part of the further consultation, this Report will be presented to the members of the Boards of both IHUK and EIHA on Wednesday 27 February and then to members and stakeholders across the sport in three meetings as follows:

Sunday 3 March – Sheffield

Sunday 10 March – Bracknell

Sunday 24 March – Murrayfield

The Steering Group will then consider further issues, if any, arising from the consultations and finalise its Report with the next steps for formal approval of the new arrangements. If the proposals are agreed, we envisage returning to both Boards for final approval and implementation of the proposals in line with the members' views. This will involve preparation of the legal documents and agreements mentioned in this report and calling the respective EGMs in order for the members of each organisation to agree to any necessary aspects requiring the agreement of the members.

## **Conclusion**

We believe this Report reflect the wishes of the sport's members and stakeholders based on the extensive consultation so far and the proposals address the concerns they have expressed about the way the sport is currently governed by providing a new governance framework to help the sport move forward and thrive.

We recommend these proposals to you.

### **IHUK & EIHA Joint Governance Steering Group**

Jonathan Hall (Independent Chair)

Andrew Miller (EIHA Director)

Joy Johnston (EIHA Director)

Richard Grieveson (IHUK Chairman)

Eric Morton (IHUK director – independent)

David Hand (IHUK director & Scotland)

27 February 2019

## Annex 1

### Code for Sports Governance

#### 5 Principles

## The Principles

As introduced earlier, this Code has, at its heart, five Principles of good governance.

They are:

1. Structure
2. People
3. Communication
4. Standards and Conduct
5. Policies and Processes

Compliance with the letter of the Principles is not mandatory. However, we hope that all funded bodies – regardless of their scale and the size of the award – would recognise the importance of these Principles.

Throughout the Code, we have attempted to demonstrate how the Principles relate to the elements of the Code which are mandatory – and how the two elements support one another.

The full wording of the Principles, and the narrative to explain their importance, is below:

### 1. Structure

**Organisations shall have a clear and appropriate governance structure, led by a Board which is collectively responsible for the long-term success of the organisation and exclusively vested with the power to lead it. The Board shall be properly constituted, and shall operate effectively.**

#### **Why is this important?**

The right governance structure with decisions made at the right level enables the best decisions to be made to drive the success of the organisation. Having an appropriate governance structure demonstrates to all stakeholders that the organisation is well managed. This is key to winning the confidence of staff, suppliers and potential investors and also provides a framework for organisational growth and development.

## 2. People

**Organisations shall recruit and engage people with appropriate diversity, independence, skills, experience and knowledge to take effective decisions that further the organisation's goals.**

### **Why is this important?**

Diverse, skilled and experienced decision-making bodies which contain independent voice and engage in constructive, open debate enable good decision-making.

## 3. Communication

**Organisations shall be transparent and accountable, engaging effectively with stakeholders and nurturing internal democracy.**

### **Why is this important?**

Being responsive to stakeholders, understanding their interests and hearing their voice helps shape the organisation's governance and strategy. Transparency about why the organisation exists, what it is trying to do, how it is doing it and with what results empowers stakeholders by giving them the information about the organisation that they need to know.

## 4. Standards and Conduct

**Organisations shall uphold high standards of integrity, and engage in regular and effective evaluation to drive continuous improvement.**

### **Why is this important?**

Having the right values embedded in the culture of the organisation helps protect public investment and also enhances the reputation of the organisation, earning stakeholder trust. Constantly seeking to improve makes an organisation swift to respond to new challenges and opportunities.

## 5. Policies and Processes

**Organisations shall comply with all applicable laws and regulations, undertake responsible financial strategic planning, and have appropriate controls and risk management procedures.**

### **Why is this important?**

Understanding the legal environment and having in place appropriate financial and other controls help mitigate risk and enhance stakeholder trust.

## Annex 2

### Code for Sports Governance

#### Tier 3 Mandatory Requirements

## Tier 3 – Mandatory Requirements

Tier 3 represents the top level of mandatory governance Requirements in this Code. The Requirements in this Tier seek to ensure high governance standards because of the significant public investment being made. Sport England and UK Sport will look for a formal commitment from organisations to meet Requirements within set timescales.

UK Sport and Sport England will generally categorise an investment as Tier 3 if:

- the funding is intended to be granted over a period of years;
- the funding is granted for a continuing activity rather than a one-off project;
- and
- the total amount of funding is greater than £1m

Consideration will also be given to the size of the organisation. Organisations receiving funding for significant, medium to long term activity should generally expect to be in Tier 3.

The mandatory requirements are set out below under each of the five principles. The Code also has further commentary and guidance on the mandatory requirements which we have not included in this Report but which can be found in the Code here:

[https://www.sportengland.org/media/11193/a\\_code\\_for\\_sports\\_governance.pdf](https://www.sportengland.org/media/11193/a_code_for_sports_governance.pdf)

### 1. Structure

**Organisations shall have a clear and appropriate governance structure, led by a Board which is collectively responsible for the long-term success of the organisation and exclusively vested with the power to lead it. The Board shall be properly constituted, and shall operate effectively.**

#### REQUIREMENTS

##### Boards

1.1 The Board of the organisation shall:

(A) be the ultimate decision-making body and accordingly exercise all of the powers of the organisation;

(B) be responsible for setting the strategy of the organisation; and

(C) maintain and demonstrate a clear division between the Board's management and oversight role and the executive's operational role.

1.2 All directors must act in the best interests of the organisation, and in a manner consistent with their legal duties.

## **Councils**

1.3 A Council shall not be able to override the Board, but may have reasonable rights to consultation and constructive challenge.

1.4 Where Councils are permitted to appoint directors, such appointments shall reflect not more than one third of the directors.

1.5 A Nominated director shall not be considered an independent director and must be non-executive.

1.6 Council members may hold office for a maximum of either two, four-year terms or three, three-year terms.

1.7 In accordance with Principles 3 and 4, Councils must act with integrity and be transparent in their workings.

## **Board size and composition**

1.8 The Board shall be of an appropriate size to:

(A) meet the Requirements of the organisation;

(B) have the appropriate balance of skills, experience, independence and knowledge;

(C) manage changes to its composition (including that of its committees) without undue disruption; and

(D) promote an open dialogue amongst the directors.

1.9 The size of a Board shall not exceed twelve persons unless agreed with UK Sport/Sport England.

1.10 Each organisation must maintain an up-to-date matrix detailing the skills, experience, independence and knowledge required of its Board.

1.11 No one individual on the Board may have the unfettered ability to take a decision.

1.12 If a member of the executive management of the organisation (e.g. the chief executive or senior finance officer) is appointed to the Board, then they may only be appointed in an Ex Officio capacity.

### **Term limits**

1.13 Subject to the exceptions set out in Requirement 1.14 below, a director may serve on the Board for a maximum of either:

(A) four terms of two years;

(B) two terms of four years; or

(C) three terms of three years.

1.14 The exceptions referred to in Requirement 1.13 are as follows:

(A) A director may serve on the Board for a maximum of twelve years if appointed as chair of the organisation or to a senior position with an international federation.

(B) A director appointed in an Ex Officio capacity may serve on the Board for the duration of their holding the relevant office.

(C) In exceptional circumstances (for example to assist succession planning), a chair or director may hold office for a further year.

1.15 When a director has completed their maximum term, at least four years must elapse before they can be eligible to stand as a director for that organisation again.

### **Chair**

1.16 Each Board must appoint a chair who shall be responsible for the leadership of the Board.

1.17 The roles of chair and chief executive shall not be exercised by the same individual and the division shall be established in writing and agreed by the Board.

1.18 UK Sport and Sport England reserve the right to require that an organisation in which they invest appoint an independent chair. This right will only be exercised after appropriate consultation and if UK Sport/Sport England reasonably believes that it is necessary to safeguard public funding or further the purposes for which that funding was granted.

## **Independent non-executive directors**

1.19 At least 25% of the Board shall be independent non-executive directors.

1.20 Each Board shall appoint one of its independent non-executive directors to be the Senior Independent Director.

## **Board Conduct**

1.21 Boards shall adopt policies and practices that:

(A) foster openness and debate amongst directors; and

(B) set out clear expectations with respect to the running of Board meetings and director behaviour.

## **Meetings**

1.22 The Board and its committees shall:

(A) meet sufficiently regularly to discharge their duties effectively; and

(B) maintain a proper record of their meetings and decisions.

## **Board committees**

1.23 The Board shall maintain an audit committee and (either on a permanent or an ad hoc basis) a nomination committee unless the particular circumstances of the organisation are such that it is appropriate for the Board to act as the nomination committee.

1.24 The Board shall establish any further committees which it considers necessary to support its work.

1.25 Each committee established under 1.23 or 1.24 shall report to the Board and have clear terms of reference which identify its responsibilities and any powers delegated to it by the Board.

1.26 A majority of the members of the nomination committee shall be independent non-executive directors and it shall be chaired by the chair (except when it is dealing with the appointment of a successor to the chair, when it shall be chaired by an independent non-executive director).

## 2. People

**Organisations shall recruit and engage people with appropriate diversity, independence, skills, experience and knowledge to take effective decisions that further the organisation's goals.**

### REQUIREMENTS

#### Diversity

2.1 Each organisation shall:

(A) adopt a target of, and take all appropriate actions to encourage, a minimum of 30% of each gender on its Board; and

(B) demonstrate a strong and public commitment to progressing towards achieving gender parity and greater diversity generally on its Board, including, but not limited to, Black, Asian, minority ethnic (BAME) diversity, and disability.

2.2 Each organisation shall identify proportionate and appropriate actions to be taken to support and/or maintain (as appropriate) the diversity targets set out in Requirement 2.1.

2.3 The Board shall ensure that the organisation prepares and publishes on its website information (approved by the Board) about its work to foster all aspects of diversity within its leadership and decision making, including an annual update on progress against the actions identified in Requirement 2.2.

#### Board Recruitment

2.4 Each organisation shall have a formal, rigorous and transparent procedure for the appointment of new directors to the Board, and all appointments shall be made on merit in line with the skills required of the Board.

2.5 In exceptional circumstances a director may be Co-opted onto the Board if this is necessary to ensure that the Board has the skills and/ or experience necessary to fulfil its role.

2.6 The appointment of the Chair and independent non-executive directors must be via an open, publicly advertised recruitment process.

2.7 The Board shall have in place succession plans for orderly appointments to the Board and to key positions within senior management.

2.8 The nomination committee shall lead the process for Board appointments on behalf of the Board (unless, as set out in Requirement 1.23), the organisation does not have a nomination committee, in which case the Board shall be responsible for the appointment process).

2.9 The Board or nomination committee shall inform UK Sport / Sport England of any appointment process being carried out by the organisation in relation to:

(A) any directors; and

(B) the chief executive;

and shall permit UK Sport/Sport England to observe any such process.

2.10 No individual shall be appointed as a director until he or she has provided to the organisation a declaration of good character.

### **Induction of new Directors**

2.11 On appointment, each director shall be given a written statement of their responsibilities.

2.12 Each organisation shall ensure that new directors receive a full, formal and tailored induction on joining the Board.

### **Remuneration**

2.13 Remuneration of directors and employees, if any, shall be determined in accordance with a formal, approved procedure.

## **3. Communication**

**Organisations shall be transparent and accountable, engaging effectively with stakeholders and nurturing internal democracy.**

### **REQUIREMENTS**

3.1 Each organisation shall publicly disclose information on its governance, structure, strategy, activities and financial position to enable stakeholders to have a good understanding of them.

3.2 Each organisation shall publish:

(A) in the case of organisations which employ more than 50 staff, the total remuneration paid to its senior management team; and

(B) the remuneration (if any) paid to each of its directors (except for members of the senior management team who are Ex Officio directors).

3.3 Any information disclosed shall be fair, accurate and presented in an understandable manner.

3.4 Each organisation shall develop a strategy for engaging with, and listening to, its stakeholders (including elite athletes where appropriate) which the Board shall contribute to and review at least annually.

3.5 Each organisation shall be expected to carry out a regular staff survey (including their volunteers) at least once a year and:

(A) act on the results internally, communicating clearly to their employees and volunteers how such actions are to be taken; and

(B) make topline data available to Sport England to collate the results for the purpose of developing a greater understanding of the sport workforce.

## 4. Standards and conduct

**Organisations shall uphold high standards of integrity, and engage in regular and effective evaluation to drive continuous improvement.**

### REQUIREMENTS

#### Development of the Board

4.1 The Board, led by the chair, shall undertake, and maintain in writing a record of, an annual evaluation of its own skills and performance and of individual directors, and that of its committees (committee evaluation need not be undertaken annually).

4.2 External evaluation of the Board shall be facilitated at least every four years or at the request of UK Sport / Sport England.

4.3 The Board shall agree and implement a plan to take forward any actions resulting from the evaluations.

#### Integrity

4.4 Each organisation shall adopt a mandatory directors' code that, amongst other things, requires all directors to act at all times, with integrity, in a forthright and ethical manner and in accordance with their organisation's conflicts policy.

4.5 The directors' code, terms of reference and other policies of the Board and its committees shall be reviewed at least every four years to ensure compliance with current laws.

## Conflicts of interest

4.6 The chair shall proactively address and manage conflicts of interests amongst the directors. No director may participate in the discussion of, or vote in respect of, a matter in which they have a material conflict of interest.

## 5. Policies and Processes

**Organisations shall comply with all applicable laws and regulations, undertake responsible financial strategic planning, and have appropriate controls and risk management procedures.**

### REQUIREMENTS

#### Legal Compliance and Control

5.1 The Board shall ensure that:

(A) both individually and collectively it understands the key legal and regulatory obligations (including those which are specific to sport national governing bodies) which affect the Board and the organisation; and

(B) the organisation has appropriate policies and procedures in respect of these obligations.

#### Financial control

5.2 Each organisation shall exhibit honesty, integrity and competence in financial matters.

5.3 The Board shall adopt appropriate and proportionate finance policies and procedures. The organisation shall take all reasonable steps to ensure that these policies and procedures, where appropriate, are communicated to, and understood and followed by, its directors, staff and volunteers (where relevant). The Board must review and update them at least once every two years.

5.4 Each organisation must prepare annual accounts which:

(A) comply with legal Requirements and recognised accounting standards;

(B) give specific disclosure of income received from public investors and clearly account for the expenditure of such funding; and

(C) are audited.

5.5 The audited annual accounts must be published on the organisation's website.

## **Financial strategy**

5.6 The Board must actively plan and monitor the financial position and performance of the organisation against an annually approved budget and at least a four year financial forecast.

## **Risk Management and Internal Control**

5.7 The organisation shall maintain robust risk management and internal control Systems.

5.8 The Board shall conduct an annual review of the effectiveness of the organisation's risk management and internal control systems to ensure that they provide reasonable assurance.