

National Council

Contents

Attendees.....	Page 2
Chairman's Opening.....	Page 3
Declaration of Interest, Approval of Minutes & Matters Arising.....	Page 3
Report by Table Tennis England Chairman to Include Board Report 17-1-1.....	Page 3-7
Report by Chief Executive to Include Heads of Departments 17-1-2.....	Page 7 - 8
Discussion Groups.....	Page 9
Table 1 Feedback.....	Page 9
Table 2 Feedback	Page 9
Table 3 Feedback	Page 10
Table 4 Feedback	Page 10-11
Any Other Business.....	Page 11
Circulated Papers & Date of Next Meeting.....	Page 12
Appendix 1.....	Page 13
Appendix 2.....	Page 14-20

Minutes of the National Council Meeting held at The Mercure Hotel, The Approach, Two Mile Ash, Milton Keynes MK8 8LY, on Saturday 28th January 2017, commencing at 11:00am.

PRESENT:-

COUNCILLORS: DL Hockney (Avon), BR Freer (Cambridgeshire), Mrs KM Tonge MBE (Cheshire, Regional Chair North West and BTTAD), AE Ransome OBE (Cleveland), P Goulding (Devonshire), LT Whittaker (Dorset), A Thompson (Durham), P Ashleigh (Essex), DB Turner (Hampshire, Regional Chair South & South East), H Jutle (Herefordshire), DJ Edwards (Hertfordshire), S Clarke (Lancashire), Mrs S Pickering (Leicestershire and Regional Chair East Midlands), GE Tyler (Lincolnshire), M Close (Middlesex), T Vincent (Norfolk), R Barr (Northamptonshire), J Donnelly (Northumberland), M Allsop (Nottinghamshire), N Hurford (Oxfordshire), C Dangerfield (Shropshire), I Hooper (Somerset), Miss M Fraser (Surrey), E J Williams (Warwickshire), CN Sewell (Wiltshire), MG Clark (Worcestershire), RB Hudson (Yorkshire)

DEPUTY NATIONAL COUNCILLORS: J Cowell (Derbyshire), C Hollingsbee (Kent), S Pound (Sussex), M Macfarlane (Warwickshire), B Whitehead (Acting for Buckinghamshire)

STAFF: Mrs S Sutcliffe (Chief Executive), Mrs E St John (Head of Development), G Yarnall (Head of Workforce), Mark Taffler (Head of Commercial), Miss A Gabb (Office Administrator/Minute taker)

REGIONAL CHAIRMEN: B Davidson (East), C Davidson (North East), DB Turner (South), Mrs KM Tonge MBE (Cheshire, Regional Chair North West and BTTAD), M Clayton (West Midlands), Mrs S Pickering (Leicestershire and Regional Chair East Midlands), B Chan (Yorkshire), K Mudge (Sound East)

INVITED: Mrs S Deaton (Chairman), Ms S Hughes (Deputy Chairman), K Thomas (Treasurer), S Griew (Directors), TV Purcell (Director), Ms K Skeggs (Director), M Smith (Director and BUCS), Mrs A L Tazartes (Director), L Reid (VETTS), Mrs KM Tonge MBE (Cheshire, Regional Chair North West and BTTAD), J Arnold (ESTTA),

APOLOGIES: A Murdoch (Bedfordshire), CG Dyke (Berkshire), A Bruton (Berkshire Deputy NC), RJ Hedley (Buckinghamshire), Mrs S Hayes (Buckinghamshire Deputy NC), Mrs DM Jermyn (Cornwall), K Fudge (Cornwall Deputy NC), LA Chatwin (Derbyshire), LJ Smith (Gloucestershire), Mrs EJ Kirby (Gloucestershire Deputy NC), N Le Milliere (Kent), C Bell (Staffordshire Deputy NC), B Davison (Suffolk, Eastern Regional Chair), A Catt (Sussex), R Loxley (South Yorkshire), B Chan (Yorkshire Regional Chairman), C Davison (North East Regional Chairman), K Mudge (South East), B Davison (Suffolk, Eastern Regional Chair), C Clemett (Rules), Mrs Jill Parker (President), P Huggon (Director), A Nixon (Director), J Bruck (Head of Operations), S Mills (Head of Talent & Performance)

1. CHAIRMAN'S OPENING

- 1.1** Estyn Williams (EJW) Chaired the National Council meeting in the absence of Tony Catt and welcomed new members of National Council and invited them to introduce themselves to the meeting.
- 1.2** Brian Whitehead explained that he is in attendance today on behalf of Buckinghamshire and Ian Hooper introduced himself as the new National Councillor for Somerset.
- 1.3** The meeting held a minute's silence for Roger Frost who sadly passed away last year.
- 1.4** EJW went through the running order of the agenda and explained that two of the topics for the afternoon's discussion groups have been restructured to help provide valuable input to future ways of working which align more to the Sport England Strategy.

2 DECLARATION OF INTERESTS

- 2.1** Chris Dangerfield - Tabletennis365.

**3. APPROVAL OF MINUTES OF NATIONAL COUNCIL MEETING HELD 05.11.16
7698/2/AMG**

- 3.1** EJW asked for any comments regarding the Minutes of the previous meeting. All present agreed to approve the Minutes.

4 MATTERS ARISING NOT COVERED ELSEWHERE IN THE AGENDA

- 4.1** Alan Ransome OBE (AER) referred to item 5.12 in the Minutes from the previous meeting in November which referred to the lack of staff attendance and publicity at the Junior British League. AER said that he is pleased to say that his point has been taken on board by Susie Hughes and Mark Taffler.

5. REPORT BY TABLE TENNIS ENGLAND CHAIRMAN TO INCLUDE REPORT FROM LATEST BOARD 17.1.1 INCLUDING:**5.1 AFFILIATION FEES 2017/18**

- 5.1.2** Sandra Deaton (SD) explained that the Affiliation Fees paper is asking Council for their support to increase membership fees by £2.
- 5.1.3** Neil Hurford (NH) expressed concern about continually increasing the affiliation fees by a little amount each year. NH said that a more suitable and straightforward method would be to communicate the increase strategy to the members.
- 5.1.4** SD said that the Board agrees with NH's comments. However they are currently waiting for the finalisation of the award from Sport England. Until then they are unaware of how much money Table Tennis England will have. Once the shortfall is known the Board will agree a transparent strategy for the next few years, which it will explain to the AGM. This may involve significant increases.

- 5.1.5** Steve Pound (SP) said that he would like to know where the £2 increase from last year was spent and emphasised that this wasn't enough of an increase. SP said that it is important that we attract commercial money into table tennis as there are fundamental problems within the sport and a strategy needs to be established to resolve them.
- 5.1.6** Keith Thomas (KT) said that the money was spent maintaining the basic structure of Table Tennis England and introducing personal accident insurance, as explained in the Affiliation Fee Paper distributed.
- 5.1.7** Martin Clark (MGC) supports the increase and explained that it isn't plausible to increase the fees by more than £2 per year, as the members have complained and queried how the increase benefits them directly. MGC said that there will be difficulty getting the additional increase through the members and finding the support. As it stands, MGC said that the 5-year strategy is reasonable and that it should be pursued.
- 5.1.8** George Tyler (GT) explained that he supports the increase. However speaking on behalf of his members, they are against the motions. Consequently, he believes the increase will have a negative effect on the leagues and counties.
- 5.1.9** KT said that the comments have been taken on board and that it is important to reinforce the membership benefits which have been introduced such as the personal accident cover.
- 5.1.10** Mark Taffler (MT) urged the National Councillors to speak to their members and to find out what benefits they would like to see as a result of being a member, which sit outside of playing related matters. He encouraged everybody to contact him directly with any ideas.
- 5.1.11** Stan Clark (SC) proposed that National Council support the motion. NH seconded.
- 5.1.12** The meeting moved to a vote and the motion was carried with one person against.

5.2 IMPLICATIONS OF CODE OF GOVERNANCE

- 5.2.1** SD said that at the last meeting the new Code of Governance, put together by Sport England and UK Sport, was introduced to National Council.

SD explained that there are mandatory conditions which have to be adhered to in order to receive the Sport England funding. Overall our assessment is that we are largely compliant thanks to significant governance changes introduced in 2014. However there are a couple of areas where more change will be needed. She went on to explain that the first and most significant change is that the Chair of the Board will need to be appointed and no longer elected. SD said the Board meeting in December considered how this would affect membership and how they can best implement the requirement. The Board has come up with the recommendation that 3 elected Directors are kept, if the Chairman is appointed and is not one of the member elected Directors, then it is intended that the Deputy Chairman would be from the member elected Directors.

- 5.2.2** EJW referred to SD's point that if the Chairman is not an elected Director then the deputy should be, and asked if this will be mandatory or if it will be at the discretion of the Board?

- 5.2.3** SD clarified that it will be to the discretion of the Board, because the Board will appoint the Deputy Chair.
- 5.2.4** AER said that he is very concerned and that he thinks it isn't in the best interest of Table Tennis England to move in this direction. He said that he thinks it is important that membership have the opportunity to elect a Chairman. AER believes that this should be challenged and that the new process is liable to be deeply damaging for the sport.
- 5.2.5** SD acknowledged AER's concerns but explained that it is a mandatory criteria which has to be adhered to in order to receive public funding.
- 5.2.6** NH requested clarification in reference to the elected Directors and the decision of the election process. NH asked if what is being proposed is accepted to acceptable to Sport England.
- 5.2.7** Sara Sutcliffe (SS) responded by saying that consideration of the process is ongoing and is part of a wider discussion. SS said that they are confident what they are proposing will be accepted by Sport England because the concept of member elected Directors is provided for in the code. However the Code is equally clear that the appointment of the Chairman must follow an open and transparent appointment process. SS explained that any member can apply and it will be much like a job interview process.
- 5.2.8** Chris Dangerfield (CD) questioned whether the Board had any indication of how other NGBs are reacting to this news.
- 5.2.9** SS said that overall other sports are saying that it is a good Code of Governance and it is bringing NGBs in line with best practise in terms of governance. Much like the hurdles discussed today, all other NGBs will be facing individual issues too that need to be addressed. SS added that there are relatively few NGBs with elected Chairs now.
- 5.2.10** MGC questioned the flexibility of the Code and to what extent can it be changed.
- 5.2.11** Susie Hughes (SH) said that Table Tennis England are in receipt of public funds, the body which are awarding the public funds have a duty to ensure that the governance of the organisation is in accordance with best practise. They have highlighted that one of the factors of good governance is accepting and adapting to change. SH said that there is flexibility to some extent, for example there will still be 3 elected Directors who will be the voice and face of the membership. She said that they are trying to work within the constraints but continue with the sound solid voice of membership.
- 5.2.12** SD said that another area which needs to be considered according to the Code of Governance is terms of office for National Council. National Councillors are asked to go back to their counties and consider how the new process can be implemented and see how they can support this.
- 5.2.13** EJW spoke as a member of the Rules Committee and said that there is doubt about the interpretation of the Code and whether the Code definition of 'Council' applies to National Council. However for the purpose of today it would be unwise to take the view that it doesn't apply to National Council and instead consider the implications assuming it does.

- 5.2.14** Alan Thompson (AT) questioned if it's possible to fulfil 4 years as a National Councillor, let somebody else fill the position for 4 years and then re-join for a further 4 years.
- 5.2.15** SS said that it is important to remember why this has been written in the Code rather than trying to find ways around it. It is in there because good governance promotes the need for fresh ideas, people and diversity. However it is important not to lose sight of retaining knowledge and experience so a balance needs to be found.
- 5.2.16** SC expressed concern at the new concept and pointed out how many people in the room will be lost due to it.
- 5.2.17** Phil Goulding (PG) pointed out that National Councillors are elected by their counties and not by Table Tennis England, therefore that not everybody wants to be a National Councillor and if the ones who want to do it are stopped, we might be left with nobody.
- 5.2.18** Karen Tonge MBE (KMT) proposed a motion to appoint a steering group of National Councillors to consider the matter further.
- 5.2.19** AER said that he is very worried about this situation and believes it will cause long term damage to the organisation. He said that we will lose a lot of people with years of knowledge and experience who offer valuable contribution to the sport. AER added that he supports KMT's steering group idea.
- 5.2.20** MGC said that National Council has changed over the years and it is no longer the body which makes the decisions and therefore it doesn't need to comply with the Code of Governance. National Council make their own rules for example, which is outside the Code of Governance.
- 5.2.21** SD said that Sport England has confirmed that National Council does fit within the definition of 'Council' in the Code of Governance. Although National Council has no decision making powers it has the influence and the check and challenge which they offer and is valuable. SD said that National Council need to decide with their counties how they are going to take the new Code of Governance forward.
- 5.2.22** SH read out the official definition of the role of a National Council for clarity to the discussion.
- 5.2.23** Phil Ashleigh (PA) recognised that it is often difficult to recruit new members and stated that the concept is ideal rather than a requirement, therefore suggested that there is some flexibility in the Code.
- 5.2.24** EJW put KMT's motion regarding a steering group to discuss this matter further and in more depth to the vote. The proposal was carried unanimously.

5.3 BOARD REPORT – NEW NATIONAL CONFERENCE ON AGM DAY

- 5.3.1** SD reported that the Board had a concern with the current format of the AGM, and has therefore considered an alternative format as set out in her report. She explained the morning of the National Conference will be a more relaxed and informal environment, an annual conference where all company members can discuss issues which are important to them and in the afternoon the AGM will take place and then the awards. The timing of the day means there would be insufficient time for the National Council meeting.
- 5.3.2** AER queried what would happen about National Council as there will be a 6-month gap between the meetings, and will therefore need to find another date.
- 5.3.3** NH said that he thinks the new format is a great idea and that we should be experimenting with new things, and in his opinion it wouldn't be an issue if one National Council meeting is missed in July.
- 5.3.4** SD said that it was felt that the National Council meeting was rushed last year and that most National Councillors will be at the National Conference, therefore any issues can still be raised. The National Conference gives everybody to engage with a much wider membership and have input into the conference.
- 5.3.5** EJW asked the cost of hosting a National Council meeting. SS responded £5,000.
- 5.3.6** EJW said that due to the lack of time, if anybody would like to propose something regarding future National Council meetings they should put forward a motion for the April meeting when the dates of National Council meetings for the coming year were due to be considered.

5.4 OTHER ITEMS

- 5.4.1** No other items were discussed.

6. REPORT BY CHIEF EXECUTIVE TO INCLUDE DEPARTMENT HEADS REPORTS 17.1.2

- 6.1** SS apologised on behalf of Simon Mills and Jonathan Bruck for their absence today and welcomed any questions.
- 6.2** AER asked for clarification about the Sport England funding bid.
- 6.3** SS explained that Table Tennis England have been invited to bid into 5 different pots of funding and that the concept of a Whole Sport Plan has been shelved. SS said using the solicitation process, we have bid into Core Market, which is the biggest amount of money and is about supporting the core business of an NGB. She said that this includes our database of playing members, plus members through ESTTA and other table tennis initiatives which amounts to 50,000-60,000 people who Sport England see as our main marker to influence.

SS said that Table Tennis England are one of the few NGBs who have been invited to apply for Mass Market funding, which is known as 'mass participation' or 'revolving relationship with activity'. The wider Sport England strategy is now less about sport and more about physical activity. They recognise that sport plays a large part in this however

NGBs are more about the regulation and safety of the activity. As a result of this, most NGBs will no longer be driving mass participation or running different initiatives to grow participation. Table Tennis England are one of the few NGBs which have been asked to bid into this pot, which is a sizable bid and is where Ping! and Loop products and staff will be funded.

SS explained that due to Sport England's change in funding structure, Core Market and Mass Market will become new departments; therefore there will be a structural change in the organisation. Currently the Development department and officers cover and deliver both. SS said that this is why the questions were changed in the afternoon discussion groups.

SS continued to explain that bids were submitted for Talent and Commonwealth Games support, which are likely to be awarded a similar value as in the previous funding cycle. Finally, we have also been invited to bid for a transitional grant which will help bring forward major IT projects which will improve customer experience. SS said that the Priority Zone model will also be transitioned into a model working more directly with clubs, leagues and volunteers. The participation figures for the last 10 years have been tracked and the Active People Survey (APS) and it ended on an upward trend. APS has now been replaced by Active Lives.

To conclude, SS said if Table Tennis England was to achieve the top end of the funding band, about 15% less funding than the current cycle would be received, excluding Capital Funding which will be managed centrally by Sport England. We are looking at about 15% reduction overall of funding.

- 6.4** MGC explained that he has been in an email exchange with the Treasurer and noted that a summary will be distributed to National Councillors.
- 6.5** EJW requested the correspondence between MGC and KT to be added to the appendix of the Minutes from the meeting.
- 6.6** MGC questioned why the 2016/2017 budget changed to a forecast and why there is a £5,000 reduction in sponsorship money.
- 6.7** KT said that the exchange of emails with MGC will be made available for National Councillors.
- 6.8** AER referred to the AGM timelines and asked if it will be distributed earlier than last years to allow more time as previously discussed.
- 6.9** SD confirmed that the timelines have been brought forward as requested. The timeline will go to the Board 3rd March and will be communicated soon.

7. DISCUSSION GROUPS

The National Councillors split into groups to discuss 4 different questions outlined below.

7.1a TABLE 1: HOW CAN WE (NC'S/REGIONAL CHAIRS ETC) HELP STAFF TO SUPPORT TABLE TENNIS CLUBS, LEAGUES, SCHOOLS AND WORKFORCE (COACHES, OFFICIALS AND VOLUNTEERS) NOT IN CORE CLUSTER AREAS?

7.1b WHERE DO YOU FEEL STAFF CAN PRIORITISE THEIR TIME IN SUPPORTING CLUBS, LEAGUES, SCHOOLS AND WORKFORCE (I.E COACHES, OFFICIALS AND VOLUNTEERS) NOT IN CORE CLUSTER AREAS?

Definition of a core cluster: groups working together i.e. key clubs working together to promote table tennis

- Can't cover whole county – 20/25 clusters for 18 months
- Selection process - explained
- Size – not defined
- How do we obtain facilities/staff?
- Should there be motivation and guidance from Milton Keynes?
- Information on website to help
- Clubs do not take initiatives – need encouragement on area they list
- We help staff, help provide support
- Clubs (large) or teams
- We need feedback
- Key – locate volunteers, teams and structure
- To make change, need control not closed shops
- Clubs linked to schools nights/tables – then accept offers
- Integration with schools: hire or help
- Schools linked to clubs
- Leagues – leave to run events
- Clubs – to develop

7.2 TABLE 2: HOW CAN THE SPORT BUILD ON THE SUCCESS OF BOTH THE OLYMPICS AND PARALYMPICS?

- Media exposure by live streaming matches
- Role model to stimulate the interest in sport
- Skills and committee lesson to perform at elite level
- Target for Olympic medals can be a detriment to the players step by step achievement
- Strong clubs structure with elite performance
- Mental resilience
- Entertainment skills show more/social occasions
- Reinforcement of success
- Marketing on the current success and be prepared with coaches media to take advantage
- Take advantage of future success
- Media exposure for the relevant players, they are role models to stimulate interest.
- Entertainment value live streaming matches being done in the North with success.
- Exhibition matches to show skills making it a social occasion.
- Showing mental resistance and commitment
- Advertises with table tennis included as more exposure

- Reinforce the success and capitalise on it
- Being ready for the take up following the success, e.g. having more coaches in place
- Take advantage of future success

7.3a TABLE 3: HOW CAN WE (NC'S, REGIONAL CHAIRS ETC) HELP DEVELOIP OFFICERS TO SUPPORT CORE CLUSTERS IN OUR AREA?

7.3b WHERE DO YOU FEEL STAFF CAN PRIORITISE THEIR TIME IN CORE CLUSTER AREAS?

Definition of a core cluster: group of clubs in an area who can offer table tennis for different categories e.g. over 50's, disabilities

- Give players and volunteer's positive experience e.g. junior clubs before joining adult league. 2 man teams. Coaching
- Rural counties – definition? – time limits of mileage radius
- No specific boundaries
- Transport for juniors and involving parents
- Every core cluster is different with different priorities
- Support with volunteers
- Get clubs to work together – best practise
- Leagues playing with teams not clubs
- Shorter format
- Developing coaches
- Support working with leagues within counties
- Coaches network group (local)
- Help towards granny support – sponsorship
- Support with recruitment volunteers
- Sell sport to large businesses
- Active regional chair
- Visits from staff and/or newsletters
- Better two way communication officers to support clubs to develop league
- Clusters to evolve over time

7.4 TABLE 4: HOW CAN TABLE TENNIS BECOME MORE COMMERCIAL AND GENERATE MORE INCOME INTO THE SPORT?

- What is happening now!
- What are saleable assets
- Ping
- Loop
- Looking at youth products
- Ads/promos
- Deals e.g. athlete access
- Kit deals – on team success
- Innovative – e.g. using celebrities, premier league, National Table Tennis Day, magazine shows/"strictly-style"
- Are we creating something to sell (e.g. BL to TV)
- We need: for BL, better players better facilities
- Action – quote on production

- Create interest via celeb e.g. learn to play the journey
- Everyone has contact needs everyone to play 2 part
- Pipeline for saleable (new) products
- Speculate to accumulate – investment
- Local business – community partnerships – budgets – need “sales package” for local players/clubs to tap in to local sponsorship
- More revenue through membership growth – how?
- E.g. free child membership when buying an adults
- Free child coaching
- Commission for clubs on new members
- Need new membership structure which has commercial impact
- Demand for specialised sessions
- Conclusion – need to cost value of products and investment
- Needs investment and will to invest
- Product value = product investment
- Create balanced product e.g. magazine programme.

MT ‘In our discussion I set the scene. I told them what we had managed to bring on - Shakespeare Martineau and improved kit deal but moreover explained why.

I then talked about saleable assets and products and that we were out selling Ping! and Loop.

What I needed from them was thoughts on other sources.

They quickly realised we needed products. En route they talked about characters and TV exposure and a strictly come dancing type of show.

The output is that I'm going to get Cliff to speak to Chris d and allow them to work out what the cost of production would be for SBL/grand prix as a TV product. Then we can see how serious they are.

I also gave them all my details and if they want the sponsorship presentation to let me know.’

7.5 SS requested each group to produce a report from the discussion groups and email them to help@tabletennisengland.co.uk.

8. WRAP UP

8.1 EJW referred back to the earlier discussion and invited proposals on the composition of the steering group.

8.2 EJW also asked if there are any volunteers who would like to be involved.

8.3 KMT said that throughout lunch she had been collecting the names of individuals who wish to be involved: Estyn Williams, Martin Clark, Alan Ransome, Neil Hurford, Chris Dangerfield and herself

- 8.4** NH added that Tony Catt should be part of the steering group too as he is the Chairman of National Council. It was agreed these seven National Councillors should form the Steering Group.
- 8.5** KMT stated as feedback from talking to others at lunch, the first meeting should be restricted to National Councillors and thereafter open the group to other members.
- 8.6** It was agreed (with 5 against) that the Steering group should consist solely of National Councillors.
- 9. ANY OTHER BUSINESS**
- 9.1** No other business was discussed.
- 10. The following papers were circulated but were not for discussion**
- i. Written report by England Schools Table Tennis Association (JA)
 - ii. Written report by British Table Tennis Association for Disabled (KMT)
 - iii. Written report by Veterans England Table Tennis Society (LR)
- 11.** EJW called the meeting to a close at 14:55pm.

DATE AND LOCATION OF THE NEXT MEETING

29th April 2017 at The Mercure Milton Keynes Abbey Hill, The Approach, Two Mile Ash, Milton Keynes, MK8 8LY.

Appendices

Follow up appendix 1

Discussion group report submitted by Alan Ransom:

The best way to service clubs that are located outside of the priority areas is to appoint a full time development offer, based at Head Office who has the responsibility for assisting premier clubs who are not in priority areas.

The suitable person who should be appointed should have the following knowledge:

- 1) Table tennis clubs and how they work.
- 2) Sport England and other grant aid programme.
- 3) Table tennis facilities, how to improve and obtain these facilities.
- 4) The volunteer roles and the recruitment methods.
- 5) How to take advantage of the local community sports partnerships and local authorities
- 6) How to work with target areas such as schools, 50+ and women.
- 7) Knowledge on how to best use the Table Tennis England website, and the 365 services.
- 8) Have knowledge of individual clubs and how they operate

They should also:

- Produce a regular newsletter circulated to all of the premier clubs.
- Quarterly phone calls to the key person in the Club.
- Have a face to face discussion, whenever possible to include attendance at conferences, and to attend the event in the area where the clubs are at, such as GPs and arrange appointments with the club personnel at those events.
- Compile a file on each club and review it regularly.

Appendix 2

Martin Clark Questions and Email Trail (in chronological order – oldest 1st)

Email 1

Hi Keith,

Further to my comments regarding the inadequate presentation of the September accounts, I see that the format hasn't been changed and no forecast for the year has been made.

The variance between YTD Actual and YTD 'forecast' (that's a strange change in heading from 'budget') remains over £538,000 and whilst that is understandable in terms of Receipts and Payments, means little to anyone trying to understand the figures as to where we stand now in terms of anticipated annual results. We have gone back 15 years to when the then Treasurer spent his time trying to explain 'timing differences' caused by 'Receipts and Payments' being reported as distinct from 'Income & Expenditure'. What is the forecast annual net surplus/deficit? Members are entitled to know.

Furthermore, I note that the 2016/17 Budget has been amended in various places to the extent that the budgeted surplus of £1,872 has been changed to a deficit of £39,165. Whilst I understand Other Income generated from the British Para Table Tennis has moved cost centres (albeit I know not where to), that doesn't explain the other changes and totals being amended. (see Satellite Clubs, Infrastructure, Membership, & Staff costs). One just doesn't amend a budget without radical reasons to do so! An explanation here too would be helpful. I do find the comment that the Board are happy with the reporting process, however, as with most non-financial individuals, they undoubtedly either don't understand or perhaps don't wish to appear ignorant of what they are supposed to see. My experience of people in similar circumstances is that they are mostly interested in the bottom line and any major variances which in this instance is sadly lacking.

If, under the new format of National Council meetings we are not allowed to ask questions of the heads of departments, how are such queries and responses to be brought to the attention of other councillors?

Regards,

Martin

Response 1

Hello Martin,

Thank you for your recent e-mail on which I have the following comments:

The principle reason for retaining the present format is that the new management accounts system provides detailed reports in a format understood by the board, Senior

management and Sport England. We are no longer presenting two sets of figures. Also we are not recognising income until it is received but are recognising expenditure when it arises! At the last National Council Meeting some councillors commented that the information as presented was adequate.

The forecast for the year remains the 2016/17 budget which you note has changed since September 2016 (£1872) to December 2016 (-£39165). Budget increases are for Satellite Clubs (£18704), Other income (-£15000), Infrastructure costs (£10575), Membership (£666), and Staff Costs (-£3911). It would seem prudent to change the budget in the light of known variances from the original forecast and notify Council accordingly.

Previous reporting always came back to forecast by entering net accruals for the period as a balancing figure. This could also be misleading.

The current format is a management accounts based format taking account of cash flow and actual timing differences will occur throughout the forecast period.

Accounts which are produced for Financial Reporting on an annual basis take proper account of non-cash flow adjustments such as depreciation, irrecoverable VAT, and a review of all assets, liabilities and Reserves. These matters are much more difficult to quantify in a quarterly forecasting model.

The annual net surplus/deficit is a permanent agenda item at Board and FORG. Your assumptions around the Board and their interest in the finances are unfounded. The role of the Board has changed significantly with increased accountability with the emphasis on governance and finance. The Board is made up of people with vast experience of business and finance who constantly check and challenge the reports provided by Senior Management.

Finally with regard to questions the mood of Council seemed to suggest the majority were more interested in trying to move our sport forward than nit picking on variances in financial forecasting.

Yours in Sport

Keith Thomas

Email 2

Dear Keith,

Thank you for your reply.

I appreciate that it is no longer the prerogative of National Council to question the Board on financial matters and have to accept your comment that the Board and FORG are seemingly happy to receive the accounts in the current format. I would, however,

question that they have the financial expertise to fully understand the layout that the accounts are now presented. We will have to agree to differ on the question of whether Councillors in the main understand that which is being presented to them. Bearing in mind that figures in red are deemed to be income, I wonder how many that see in the 2016/17 Budget column under NET EXPENDITURE (INCOME) recognise 39615 as NET EXPENDITURE.

The budget set last year, whilst still being called 'budget' you now tell me that it is a 'forecast'! In which case why not call it a forecast as it is no longer a budget! Having said that, on the current layout there is no comparison with the original budget against which, so long as one has a logical explanation there is no ignominy in any variances arising.

You list the various changes in the 'new budget' that I also referred to in my email, amongst which was the moving of £15000 British Para TT from Other Income to another cost centre. Please advise to which cost centre it moved to. You also haven't given a rationale in respect of most of the other 'budget' changes.

The policy of Receipts and Payments isn't new to the Association, it has been the source of reporting long before even my time, so nothing new there. Likewise, non-cash flow items such as Depreciation etc. have not been taken into account on an Actual arising basis, but have (as I expect has been the case in the budget) always been part of the Forecast. I have no particular criticism of the lack of a Balance Sheet, albeit that it has generally been accepted that a section relating to accruals and prepayments has been necessary in order to consider the Association's state of affairs in terms of Net Assets at any particular juncture of time.

Finally, whilst the majority of Council may well be interested in moving the sport forward, (haven't we always?), I do take exception to the inference that I have been nit picking over the sensitive area of finance, particularly when the matters I raise are of significance. Do bear in mind that for the ten years I was Treasurer, I had no prior notice of questions that were raised, but had to be prepared for those coming from the floor.

Sincerely

Martin

Response 2

Hello Martin,

Further to your most recent e-mail the principal variances are commented on in the narrative to the report.

With regard to BTTAD money this is now credited to staff costs (£10000) over the year as this is where the costs are incurred.

I trust this helps.

Do you want me to circulate our e-mail exchanges to National Council for their information? Some of the issues may be sensitive!

Regards

Keith

Email 3

Dear Keith,

Thank you for your email.

The change to the budget figure in respect of 'Other Income' is £15,000 as per the accounts and your previous email, yet you say that BTTAD money of £10,000 has been transferred to Staff costs. Is this correct and if so, what does the remaining reduction of £5,000 relate to?

Am I right in assuming from your previous comments that the amended budget is in fact a new Forecast? You don't seem to have come back on that.

As far as communicating my queries to the remainder of National council is concerned, how else are they to be made aware of my questions and your responses? Prior to the new format of NC, when we were able to ask such questions in the forum by giving prior notice. NC also asked for such detail in advance of the meeting to fully understand the questions and responses. Yes, there are sensitive issues within our emails to which I have responded and countered.....

Regards,

Martin

Response 3

Hello Martin

I understand the £5000 relates to a reduction in General Sponsorship.

Your assumption re Forecast is correct.

I will discuss the logistics of providing a copy of questions and answers to National Councillors. Perhaps they will be sent out with papers after the meeting.

Thank you for a constructive exchange of view.

Regard

Keith

Email 4

Dear Keith,

Further to our previous exchanges and your acknowledgement that the December 2016-17 budget produced is actually the latest forecast for the year, I have reproduced the schedule that now acknowledges that fact and sensibly identifies the variances to budget. This is a more informative process than illustrating a £538,767 variance from YTD 'Actual' and YTD 'Budget' that clearly will always be the subject to changes cash flow. Indeed I see no benefit in showing the YTD 'Budget' at all as it clearly has little bearing on the performance thus far. I do hope you will consider this format more meaningful to the members than the current version.

Conventional reporting of Income and Expenditure shows both Income and Expenditure as positive figures, albeit that bottom line will show a deficit as a negative figure. I personally am not keen on Income being shown in red, (some people are colour blind), however, if that is the way you wish to present the figures, so be it.

I've always tried to be constructive in my comments and observations despite some factions thinking the opposite, bearing in mind that I was told that SE wanted reporting to be in a particular format, only to see it changed later. Surely, whilst I acknowledge that application schedules for funding need to be standard, no standard management accounts format fits all.

One further point that you identified just prior to the meeting. Please advise to what the £5,000 forecast reduction in Sponsorship relates to bearing in mind that we have recently appointed a new member of staff to seek *more* sponsorship for the Association.

Do please let me have prior sight of the schedule regarding our email exchanges you intend submitting with the minutes of the meeting.

Regards,

Martin

TABLE TENNIS ENGLAND - INCOME & EXPENDITURE FOR PERIOD 9 TO 31ST DECEMBER 2016

	YTD Actual	YTD Budget	2016-17 Forecast	2016-17 Budget	2016-17 Variance to Budget
	£	£	£	£	£
WORKFORCE	48,756	65,630	88,530	88,529	1
TALENT DEVELOPMENT	389,240	388,631	518,175	518,175	
PERFORMANCE	86,191	97,500	119,811	119,811	
DEVELOPMENT					
Clubs	26,134	25,471	34,961	34,961	
Children & Young People	53,997	67,663	105,960	105,960	
Satellite Clubs	83,070	70,474	98,704	80,000	18,704
Recreation	101,494	109,946	148,584	148,584	
Disability	34,930	59,120	76,284	76,284	
PING!	216,887	230,007	252,389	252,389	
Capital	53,393	330,000	375,000	375,000	
	569,905	892,680	1,091,882	1,073,178	18,704
COMMERCIAL					
Competitions	32,969	52,353	202,858	202,858	
Marketing & Communications	144,720	135,522	182,486	182,486	
	111,751	187,875	385,344	385,344	
OPERATIONS					
Income					
Sport England	2,871,924	2,854,511	3,265,576	3,265,576	
Affiliation Fees	321,519	314,000	335,700	335,700	
Sponsorship	11,000	16,500	22,000	22,000	

	Ranking & Tournament Levies	20,505	25,470	37,000	37,000	
	Bank Interest	2,429	1,500	2,000	2,000	
	Other Income	1,752	8,250	11,000	26,000	15,000
	Operations Income	3,229,129	3,220,231	3,673,276	3,688,276	15,000
Expenditure	Infrastructure	432,442	472,802	629,070	618,492	10,578
	Membership	77,559	104,775	139,700	139,034	666
	Meetings	38,422	52,206	70,822	70,822	
	Staff Costs	211,373	228,413	304,550	308,461	3,911
	IT Development	46,200	55,175	73,567	73,567	
	Other Core Costs	243,425	239,446	290,991	290,991	
	Operations Expenditure	1,049,422	1,152,817	1,508,700	1,501,367	7,333
	TOTAL NET EXPENDITURE/ INCOME	973,865	435,098	39,166	1,872	41,038

Response 4

Dear Martin,

Sorry for the delay in dealing with your latest e-mail.

Your comments re presentation are noted.

With regard to the loss of sponsorship this relates to advertising on the website where the advertiser is no longer involved in the sector.

Our newly appointed Commercial Manager is doing a first class job in attracting new investment.

With regard to disclosing our exchanges to National Council I propose to issue these in full as evidence of full transparency in this process. I trust you will concur.

Kind regards
Keith