

Sports Governance Academy

Understanding Directors' and Trustees' Duties in Sport

Session 1 – Case study

Please read through the scenario below. Written responses are not expected.

Dispute between member clubs of Pedalo Race UK

The National Governing Body (NGB) Pedalo Race UK (“Pedalo”) governs the sport of pedalo racing nationwide, which takes place mainly on lakes and reservoirs. Pedalo is a membership organisation with the clubs as its members.

In addition to a competitive structure for adults and juniors, there is recreational activity in a variety of settings. Access to suitable water facilities for the sport is an ongoing challenge. Pedalo made a commitment in its strategy to increasing participation opportunities for people from lower socio-economic groups.

Three years ago, members of the historic Central Area Reservoir Pedalo Club (CARP), which is renowned for its broad demographic reach and social inclusion policies, were shocked when a new club called Elite Xentral Pedalo (EXP) set up, using the same fairly small area of accessible open water.

EXP has recruited aggressively, backed by a wealthy founder. Many members of EXP, which is expensive and exclusive, are well-connected. It is widely rumoured that EXP members influenced the local council, which is putting up the rental price for CARP. If the site becomes available, EXP might take it over to give them space to expand.

Having exhausted appeals to the local council, CARP has written to the CEO of Pedalo asking for funding or a sanction against EXP. Without intervention, they say they face the choice of having to relocate miles away or winding up.

Pedalo’s legal adviser says, based on a review of public information, there is no evidence that EXP has broken any rules. Clubs compete with each other on the water and for members. Pedalo has modest resources and does not have any established mechanism for funding clubs, beyond small grants for equipment.

None of the Pedalo Board have close connections to EXP or CARP. However, Kris the Board lead for EDI, is concerned about the potential loss of CARP and has asked the CEO to raise the dispute at the next Board meeting in one month’s time under Any Other Business (AOB). Informally, at least two elected Board members have expressed reservations about getting involved in the dispute, for fear of setting a precedent.

The CEO has turned to you as a trusted INED to seek your opinion, before making a recommendation to the Chair for the Board agenda.

Question: What will be your advice to the CEO? Should this matter be included on the Board agenda under AOB? If so, what guidance would you suggest giving the Board to steer their discussion? If not, what should happen?