I wanted to take this opportunity to update you, our members, on what we have been doing from a short- and longer-term planning perspective to steer England Athletics through this uncertain period. I, and others on our team, have been asked about this matter and feel that the right way of responding consistently is to put something down in writing. I have also recorded a video blog which you can <u>click here to view</u>.

I would firstly like to reinforce my thanks to those member clubs/bodies, athletes and runners who have, in the early weeks of our 2020 affiliation year (effective from 1st April), renewed their membership with England Athletics. We know that this is an extremely difficult and challenging time for you all and we would encourage all athletes and runners to support your own clubs during this time. With many clubs requiring cash flow to service overheads and expenditure it is vital that members stand by them, and support them, by renewing their membership fees, to help clubs to emerge stronger beyond the current suspension period.

Specific to England Athletics, there is sometimes a misconception that affiliation and registration income only goes towards supporting competition. As I discussed in my previous update, which you can read by <u>clicking here</u>, the reality is it supports much more than this and enables us to provide a wide range of activities and support across all areas of the sport.

To be clear, as demonstrated in our annual accounts that are publicly available, we are a not-for-profit SME (small-medium sized enterprise) as an organisation and it is not our policy to keep significant financial reserves. It is our policy to invest the resources available to us to support the development of the sport in England. That said, as an organisation that takes its responsibilities and obligations to our members and stakeholders seriously, we need to retain a suitable level of reserves to be able to honour our commitments should we ever be in a situation where we would need to wind down and close as a company. I am explaining this because it demonstrates how invaluable your membership and registration fees are to England Athletics. As with many other membership bodies this source of income is vitally important.

I also want you to know that we will now be bringing forward the review of our affiliation and registration fee structure for 2021, rather than reviewing later in the summer as we would traditionally, with a view to providing as much clarity and certainty as we can for members sooner rather than later. We fully realise that the current circumstances will have a bearing on the decisions that we need to make with next year in mind. Whilst we encourage our members to continue to renew with us, to support us all through this period, we are fully cognisant of the disruption that this period of inactivity and suspension has caused for you, our members. We are currently planning not just for this year, but also for the next year (2021-22), and we see the next two-year block as being critical as we look to work ourselves through this period of disruption.

We fully recognise that there are wider societal and economic impacts as a result of COVID-19 and that most organisations are having to plan with a great deal of uncertainty. England Athletics is no different and there is a responsibility for us to reflect on our cost base, both in terms of short- and longer-term planning, to ensure that England Athletics and those it supports can emerge out of this period in a healthy situation. With competitions cancelled during May and June, no income from cancelled education courses and road races and, in addition, concerns around our commercial revenues, we are looking at a significant hole in our annual budget for 2020-21. This could be as much as £750k and we are looking closely at revising our plans accordingly. We are also working with our partners Sport England to see how they may be able to support us during this period.

We were quick to implement a number of cost reduction measures during March and April, changing our working practices to adapt to the lockdown and having closed our offices at Alexander Stadium which we share with our partners UKA. As an organisation, we have always reduced overheads by minimising the head office space needed – with many of our workforce already operating remotely. We are embracing digital technology as our primary source of communication and engagement and are working in a different way to service and support our members and stakeholders. You will be aware of this approach as illustrated through our Athletics & Running for Everyone @home platform and the related free online resources and activities that we have produced during the last month or so (also including new partner offers such as the DWSports.com 30% online discount enabling registered athletes to save the equivalent of their registration fee). We envisage that some of the approaches

adopted during this period will remain a key feature of how England Athletics works in the longer-term future. We have also been working to reshape what a revised track and field competition season may look like should we be in a position where we can deliver some activity in the summer months.

We are now well and truly into the next phase, which requires us to keep operations running, but with a significantly scaled back team, along with turning our attention to how we manage the transition back to what a 'new normal' might look like for athletics in England. As with other bodies in the sporting sector, we have utilised government support schemes and have furloughed staff, predominantly in national or head office-based roles, during the last month. This number equates to just under half of our total employee base of 65 (a mix of part-time and full-time employees).

We are reviewing what we absolutely need to do as a priority as an organisation, in line with our strategic priorities as a company, but also ensuring that we are always making the best use of financial and human resources. This will inevitably mean doing some things differently but also sadly ceasing some activities that are deemed 'nice to have' and not essential. The degree of this change is a work-in-progress and we will be developing these plans in the coming period as more information comes to light from sources such as UK government. We are considering all possibilities at this time.

Our members, partners, athletes and all who engage with England Athletics at every level, may form new and permanent habits and come back to us with different expectations, needs or demands. For example, some of the questions we are working through are:

- When our member clubs open again how will we make sure they are safe, welcoming
 and that our athletics and running family want to return? It's possible that people will
 return in larger numbers as society 'goes local', so how can we make sure we are
 ready?
- How do we engage with clubs to shape the most suitable 'return-to-play' scheduling of competitions based on medical advice and possible restrictions?
- How do we give confidence that returning to play remains an attractive proposition and that athletics and running remains a form of physical activity which provides an accessible offer for all in our athletics and running family?

- How will we cater for elements of our society who may remain vulnerable to the virus and continue to allow them to be engaged and part of the athletics and running family?
- How do we stage events of various sizes within the restrictions that might still be in place as we transition through the period beyond lockdown?
- How will our business model need to change as we recover from the financial stresses we have been placed under?
- How should we engage positively in the various reviews that are underway to reshape the UK wide competition season both in the short and long term and, where possible, remove issues that have historically held the sport back?
- What is the 'new normal' for revenue, costs and investment in athletics and running across England and how do we live within our means in that 'new normal'?
- How will we continue as we know we must to support and invest in areas where significant resource is required such as schools athletics and in track and field facilities in a changing financial landscape?
- How should we adapt our working practices so that we take advantage of changes that have occurred, maximising the opportunities created to travel less, continue with best practice engagement online and continue to further enhance our digital offerings?
- How do we work with all of our members and partners to best understand how they
 have been affected and adapt our own new ways of working to meet their changing
 needs?

Lastly, and importantly, we are determined to play our part in both supporting the national response to this virus and also in helping the wider sports sector to adapt. We will continue to collaborate with UKA and the other Home Country Athletics Federations in tackling these issues and will continue to work with, and listen to, our members in seeking solutions to these challenges. We are well aware that you, our members, will be weighing up some of the same questions posed above as part of your own short- and longer-term contingency planning.

We do want your views and thoughts on the challenges you are facing at this current time, to better understand your fears about the future and to determine where best you feel that England Athletics can support you to meet these challenges and come out healthier. With this in mind, we are encouraging you to submit your views, using an online form, to help us to help you - click here to go to the feedback form.

We do not know when we will be able to move towards solutions, as the course of the virus remains uncertain, but what is certain is that we need to have specific plans in place, to be utilised as and when required, and we are already progressing these.

Our exit from lockdown will be both an opportunity for us as a sport and also a threat to our established way of working, surviving and thriving. Our mindset must be exclusively on taking the opportunity presented, to bring about lasting change and long-term benefit to our sport in England.