VOLUNTARY CODE OF GOOD GOVERNANCE FOR THE SPORT AND RECREATION SECTOR
Dedicated professionals working within strong, independent, transparent and accountable organisations are the best way of ensuring that their sport is able to reflect the identity and expectations of the whole community.

Hugh Robertson MP
Minister for Sport and the Olympics
MP for Faversham and Mid Kent
It is our honour and privilege to have the eyes of the sporting world turned firmly on the United Kingdom as we build towards what promises to be one of the best ever Olympic and Paralympic Games.

We have the chance to use the legacy from the Games and the many other important national and international sporting events in the years ahead to make a once in a lifetime change in the way people in this country engage with sport.

But there is no doubt that such global attention brings many responsibilities. Not least to ensure that governance in the sport and recreation sector is fully capable of meeting current needs and addressing future challenges. At the same time I still believe that it is not for any Government to run sport or micro-manage its future. Dedicated professionals working within strong, independent, transparent and accountable organisations are the best way of ensuring that their sport is able to reflect the identity and expectations of the whole community.

That is why I welcome the development of this Code as a significant commitment from the sector to create, improve and maintain the best possible governance structures.

This Code presents ‘Seven Principles’ for effective governance, all of which I endorse and urge organisations to embrace. There are three issues in particular which I believe are central to improving governance and transparency:

- I would like to see organisations creating smaller Boards – ideally with a maximum of around eight to ten people - to promote effective decision making. This has long been good practice in other sectors and I am pleased that it features within the Code as a key practical recommendation. I will fully endorse and support sport and recreation organisations seeking to make this change.

- It is my belief that including high-calibre independent non-executives on the Board can play a vital role in helping national governing bodies and others in responding effectively to challenges. Boards and any other decision-making body should have the right balance of expertise and experience for the current and future needs of the organisation. I am pleased to see a recommendation in the Code that each Board should look to appoint an independent Chair and at least two independent directors. I endorse this and challenge organisations to adopt this approach.

- The benefits of creating diverse Boards are very clear: they will achieve a better understanding of the needs of stakeholders, customers and participants and the fresh perspectives and broader experience will lead to better decision making. I urge sport and recreation organisations to renew their efforts to create Boards which reflect the diversity of modern society.

I know that with the enthusiasm, commitment and skill of the sector we can continue to improve sports governance and so contribute to making our sporting bodies the envy of the world. I am looking forward to hearing how governing bodies are taking forward the implementation of the Code’s principles over the next months.

HUGH ROBERTSON MP
Minister for Sport and the Olympics
MP for Faversham and Mid Kent
The ‘Voluntary Code of Good Governance for the Sport and Recreation Sector’ marks an important stage in the development of good governance practice in our sector. The power of the Code is that it was created by the sector, for the sector.

Sport and recreation organisations came together to answer the challenge of upholding good governance whilst recognising the uniqueness of our sector. It has not been imposed on organisations, but instead has been embraced and should be viewed as our sector taking ownership of governance.

The Code is designed for use by national governing bodies of sport, County Sports Partnerships and representative membership organisations. It has been drafted in a way which should enable any organisation in our sector to adapt and use it without terminology acting as a barrier.

The Code is designed to:

- Help the sector aspire to and maintain good governance;
- Assist Board members and Executives (senior management team) in performing their role of making the organisation and their individual sport, recreation, or activity run better.

We hope that all organisations will be able to adapt the Code to suit their particular organisation. In an ever changing society, the governance of organisations needs to be flexible and dynamic and we anticipate the Code will continue to change and adapt as the priorities of our sector develop.

We are proud to have been involved with our members on this important initiative and commend them for taking the lead on developing and owning their governance.

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Chair, Sport and Recreation Alliance
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SEVEN PRINCIPLES OF GOOD GOVERNANCE FOR THE SPORT AND RECREATION SECTOR

The following principles have been identified to help sport and recreation Boards achieve good governance:

1. **FIRST PRINCIPLE**
   Integrity: Acting as Guardians of the Sport, Recreation, Activity or Area
   The Board must look to uphold the highest standards of integrity not only in what it does but in the wider environment of its sport, recreation, activity or area.

2. **SECOND PRINCIPLE**
   Defining and Evaluating the Role of the Board
   The Board needs to understand and evaluate the role it plays and the way it can contribute to the organisation.

3. **THIRD PRINCIPLE**
   Delivery of Vision, Mission and Purpose
   The Board should set the high level strategy and vision of the organisation and ensure that it is followed without becoming involved in the operational delivery.
FOURTH PRINCIPLE
Objectivity: Balanced, Inclusive and Skilled Board
The Board should be made up of individuals with the right balance of skills and experience to meet the needs of the organisation. Included in this is a need for independent expertise and for representation of the diversity of the sport and the communities it serves.

FIFTH PRINCIPLE
Standards, Systems and Controls
The Board needs to be conscious of the standards it should operate to, and its role in exercising appropriate and effective control over the organisation.

SIXTH PRINCIPLE
Accountability and Transparency
The Board needs to be open and accountable to its membership and participants and its actions should stand up to scrutiny when reasonably questioned.

SEVENTH PRINCIPLE
Understanding and Engaging with the Sporting Landscape
The Board needs to be aware of the international and domestic sporting worlds and position its organisation appropriately.
WHY IS GOOD GOVERNANCE IMPORTANT FOR SPORT?

The practice of good governance has long been an important issue for all elements of society, from the corporate world to the political world. In all sectors the introduction of standards of good governance has helped sustainable development.

Governance has become an increasingly important issue that national governing bodies (NGBs) in the UK have had to address over the last decade.

Although it is not a new concept for sport (the history of recent advancements can be found at the back of this Code), it is clear that the fast pace of sports administration demands a constant review of the high level principles NGBs should operate to. The commercialisation of sport and the use of sport as a vehicle for social change have seen it become an integral part of society. The administrative structures have had to adapt and keep pace with the fast paced development of our sector. Good governance has become a keystone of success for organisations and the benefits are clear.

SELF REGULATION

Good governance is a vital way of ensuring the law and regulators do not start to battle with organisations for control of our sector. The practice of good governance will help to preserve the integrity and independence of organisations and enable them to retain the freedom to administer the complexities of their sport, recreation, activity or region.

Organisations need to remain the custodians of the legacy of their respective sport or recreation and have the ability to:
- Preserve their reputation;
- Create a good and safe environment for athletes and participants.

By demonstrating good governance, organisations can mitigate the risk of a regulator being established to impose standards on them. Our sector is self-regulated because the organisations themselves are best placed to make the right decisions for their sport, recreation, activity or area. This balance of power needs to be maintained and the development of a Code demonstrates that good governance can be practiced in a self-regulated environment.
It is clear that good governance is an essential component of the continued sustainable development of sport at all levels and is integral for an organisation to develop, grow and respond to changes in society. Governance goes beyond compliance, and has become a necessary element contributing to the success of both the sport and the organisation. The ability to make changes and to reflect the needs of society coupled with the organisation becoming greater than the sum of its parts will enable it to prosper way beyond the lifetime of its current administrators. Good governance is a pathway to sustainable development and therefore should be an integral part of every organisation’s priorities.

Any organisation in our sector operates in a complex environment of interwoven stakeholders that includes athletes, parents, coaches, schools, sponsors, government and other funders, and the media. At the centre of any organisation in our sector are the athletes and participants. The ability to attract new participants and to retain existing participants will play a vital role in the organisation delivering its mission. Participants are attracted to organisations that can show professionalism and in an ever increasing world of expectation and standards, organisations are faced with the challenge of being scrutinised by the very people they exist for. Now, more than ever, the athlete or the participant can be seen as a consumer with expectations. Inevitably it is organisations with strong governance that have a better image and more credibility in the eyes of their stakeholders. Operating with good governance will help organisations prove their worth and retain the talent they need to deliver their mission.

Linked to this is the need for organisations receiving public funding or sponsorship to be able to demonstrate they are ‘fit for purpose’ and that they are capable of managing the funds appropriately and to the best effect. As the pot of money for public funding decreases in the current economic climate, the role of corporate sponsors will become more important and good governance allows organisations to create credibility of management with sponsors and funders.

Organisations need to be comfortable operating in an environment with increasing competition to secure sponsors; increasing competition for media coverage; and the need to compete with other leisure activities to attract and retain participants.

At the centre of any organisation in our sector are the athletes and participants.
Sport governance has a specificity which requires a sector-specific interpretation of the principles of good governance.

The practice and the principles of good governance can be found in a number of different documents such as the UK Corporate Governance Code (formerly the Combined Code) published by the Financial Reporting Council and ‘Good Governance: a Code for the Voluntary and Community sector’ produced by a collaborative group of voluntary sector organisations.

Our Code makes use of the guiding principles and practices of good governance which have already been advocated, and in this sense it does not re-invent the wheel of best practice. Instead our Code recognises the specific nature of sport and focuses on how to apply good governance in the context of our sector.

‘Sport Governance’ includes many of the usual features of governance, such as: vision; strategy; effective running of an organisation; accountability; and supervision. However, in addition there are aspects of ‘Sport Governance’ such as anti-doping, betting and gambling policies and other policies on safeguarding children and vulnerable adults and diversity and equality which feed into and contribute to the effective running of the organisation and the sport at large. They make ‘Sport Governance’ unique.
‘Sport Governance’ includes not only regulatory procedures and processes but also ethical procedures and processes which aim to ensure the effective and fair administration and development of the sport beyond the organisation itself. Good governance in sport and recreation goes beyond the oversight of an organisation (structure), and extends to the context and environment that the organisation operates within. In this sense, good governance in our sector must be lived throughout not just the organisation but through the membership and experience of the participants of the activity. The National Occupational Standard for Sport and Physical Activity Governance and Administration defines ‘Sport Governance’ as ‘leading and managing an organisation so that it creates, maintains and improves the structure and environment in which sport and physical activity is delivered’.

THE VOICE OF THE PARTICIPANT

Good governance needs to recognise the pivotal role of the athlete and the participant.

Our sector is unique because the athletes and participants are not only key stakeholders but are also the ‘product’, particularly in professional sport but also in grassroots participation and elite sport as well. Good governance needs to recognise the pivotal role of the athlete and the participant. Throughout the Code three important areas relating to participants and athletes need to be considered:

- The appropriateness of the involvement of athletes and participants in decision making;

- Promotion and protection of athletes and participants’ rights at all levels;

- Career management for athletes.

THE ROLE OF SPORT HEROES AND AMBASSADORS

Honouring heroes and ambassadors should be done separately to governance and Board appointments.

A further feature of governance that makes our sector unique is the involvement and inclusion of heroes and/or ambassadors for the sport, recreation or organisation. These individuals may be former athletes who have achieved excellence or individuals who have played an integral role in the development of the sport, recreation or organisation. Organisations often want to (and should) honour and include these individuals appropriately. The inclusion of former athletes, heroes, and ambassadors makes our governance unique because the governance structures of organisations need to allow this to happen in a constructive and appropriate way.
The administration, development and leadership of the sport or recreation must not be compromised by the celebration and honour of heroes and ambassadors. The composition of the Board should not focus on the length of time individuals have been involved or on their previous achievements as a participant. The individuals on the Board need to have earned their place as a result of the skills they possess.

It is often appropriate to honour and celebrate ambassadors and heroes; however it is questionable whether the Board is the best vehicle to use. The Board needs to remain the key strategic decision-making body. A separate way of using the talent of ambassadors and heroes could be created in the form of a ‘Hall of Fame’, ‘Honorary Membership’, ‘Life Membership’ or an ‘Ambassadors’ Council’ which could be used to promote the work of the Board. It may be worth considering whether your organisation wants to offer athletes dual training so that when they retire from participating they are able to continue with a career in sport on the administrative side.

**THINKING POINT**

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Thinking Point

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**The Passion of the Volunteer**

Volunteers need to consciously create the distinction between their strategic and operational involvement.

One of the interesting features of our sector is that its success largely depends on the passion and dedication of volunteers at a local level and in some cases right up to the NGB level. Even in structures where there are paid individuals, such as County Sports Partnerships (CSPs), volunteers are crucial and make up what our sector is built on. Our sector can often be held up as an example of society operating effectively, with everyone coming together for the common good.

Throughout our Code it is important that organisations appreciate the functions fulfilled by volunteers and do not try to over-complicate and put unnecessary pressure on people who already go above and beyond what is needed. However, at the same time organisations need to set expectations of functions and to retain clarity of functions. It may be the case that a volunteer wears several hats and fulfils several different roles – this should not however result in a compromise of these expectations. The distinction between the roles and particularly between the strategic function and the operational delivery needs to be maintained. Good governance is about a Board leading and providing strategic direction for an organisation and not about managing the organisation.

In our sector volunteers can often fulfil both the strategic and operational functions. It is therefore vital that the distinction between strategic and operational functions is maintained and that this is done even in organisations where both functions are completed by volunteers. As a result, creating and maintaining this distinction is something that our sector may need to consciously do.
Volunteers play a crucial role in delivering sport. It is vital that you appreciate and acknowledge their contribution appropriately at the same time as setting clear expectations of what is needed from each role. You may want to consider length of service of volunteers. Sometimes the experience and knowledge volunteers bring make it incredibly useful to keep them involved with your organisation even once they have stepped down from holding a role. It may be worthwhile setting up exit routes for volunteers where they can still feel useful and contribute to your organisation. This will help you harness the knowledge and experience they have and also allow volunteers to feel that they can step down from roles and still contribute. It may also be a way for you to refresh the people who hold roles for you without outgoing people feeling rejected or unappreciated.

THE INCLUSIVITY OF THE SPORT AND RECREATION SECTOR

One of the most attractive features of our sector is the ability it has to cut across all boundaries in society to be inclusive and open to all. Organisations often represent their sport, recreation, activity or geographical area in their entirety and they do not divide themselves based on strands of diversity, instead having one organisation to appeal to and represent everyone.

The organisations therefore hold a monopoly and act as the executive body, the legislator and the organiser. Due to the wide reach of organisations, it is important that this inclusivity is demonstrated through their governance. Throughout the Code the importance of diversity, inclusivity and the ability to appeal to, and represent, all of society needs to be understood and demonstrated.

Recognising diversity means understanding how people’s differences and similarities can be synergised for the benefit of everyone. The very nature of our sector is that it is for everyone. It is therefore vital that its governance includes everyone. This unique feature spans across all the principles of good governance.
HOW TO USE THE VOLUNTARY CODE

FLEXIBILITY

This Code is designed to be flexible and simple. It is not a prescriptive approach to governance and as such it does not provide a detailed breakdown or a checklist of what is needed.

It provides the principles of good governance recognised by our sector and practical considerations that your organisation may wish to consider. Each organisation is different and what may be appropriate for one organisation in terms of the culture of good governance, may not work in a different organisation.

The principles of good governance are set out as themes which you could incorporate and embed into your culture in the way that is appropriate and works for your organisation.

The practical considerations are suggestions for ways in which you could look to embed the principles of good governance, some of which you may want to use and others which may not be appropriate.

The thinking points are highlighted to offer further explanation or to raise questions for debate and consideration for your organisation.

SIZE OF ORGANISATION

Our sector is diverse and includes a number of different types of organisations as well as a number of different sized organisations. The size of the organisation will clearly dictate the structures and mechanisms needed to practice the principles of good governance. However the size of the organisation does not mean that a principle of good governance is not relevant. The principles of good governance are designed to be dynamic and can therefore be applied appropriately to all different sized organisations. This is not a ‘one size fits all’ approach to governance. It is not the role of the Code to dictate what is needed for each sized organisation. Each organisation is unique and the best people to set what is required are the people who know the organisation the best – the self-regulation of the sector needs to be replicated in the application of the Code.

It should also be noted that organisations rarely stay the same size and therefore the principles of good governance are intended to be applied in a dynamic phased approach, which takes into account size, complexity and level of maturity of an organisation. A dynamic approach towards governance is essential because the framework for governance must evolve over the life cycle of an organisation. Your Board may therefore decide to set and review expectations regularly in relation to embedding the principles of good governance.
An aspirational sign-up will demonstrate your commitment to embedding the principles of good governance in the way that works best for your organisation.

The principles of good governance are presented by the sector, for the sector. By signing up to the Code your organisation is committing to aspire to good governance and to embed the principles appropriately across your organisation. The aspirational sign-up allows you to take control of how you embed the principles and also how you will measure your success. The principles offer a rationale and a stimulus for you to improve and maintain the governance of your organisation; how you use them and what they mean for your organisation is for you to develop. Signing up to the Code is a way of demonstrating your organisation’s commitment to practicing good governance. It is anticipated that you, your members and your stakeholders may use the Code as a guide to measure yourselves against.

Your organisation may wish to adopt an approach where your Board annually reviews your progress of embedding the principles of good governance into your culture. You may wish to focus a Board away day on the principles of good governance or on one principle in particular that you wish to embed fully.

As your organisation examines the Code there will be areas that you highlight for support and development. The Sport and Recreation Alliance and other organisations will develop guidance, toolkits and workshops to help you embed the principles of good governance. Toolkits will be made available online and examples of best practice will be shared so that all organisations can benefit and be inspired by the success across our sector.
**TERMINOLOGY**

**A BOARD BY ANY OTHER NAME**

This Code refers to Boards and this can represent ‘management committee members’, ‘members of the Board’, ‘council members’, ‘executive committee members’, ‘non-executives’, ‘directors’ or ‘trustees’. Your governing document will dictate the name given to your Board. The term Board relates to the strategic decision making ‘non-executive’ function at the top of an organisation.

**CAN ANYONE BE TRULY ‘INDEPENDENT’ IN OUR SECTOR?**

The role of an independent Board member is to provide objective rationale to the Board’s decision-making process without the potential for a vested interest in the outcomes of such decisions. Their broad perspective aims to ensure the Board’s decisions take full consideration of the macro-environment within which it operates and that decisions are made in the best interest of the activity or organisation.

Generally speaking to be truly ‘independent’ in our sector, the Board member should not be a participant, a previous participant or have held any roles involved within the sport, recreation or activity. Such individuals are often found from industry or other sectors completely unrelated to the activity or organisation.

However, it is recognised that in reality this can be very difficult to achieve. Ultimately the rationale for including an ‘independent’ Board member is the objective perspective the individual will bring, while adding to the collective skills of the Board.

Any number of individuals could perform such a role, from a former participant or athlete with an unrelated professional career to an individual with no prior knowledge of the sport but with suitable experience to add to the skills-mix of the Board. Essentially the notion of being ‘independent’ is tied to the idea of making decisions without a vested interest. If an organisation can be confident that an individual is ‘independent’ in their thinking then they are likely to be the best person for the role.
This Code attempts to acknowledge that not every organisation working in our sector represents one particular sport or recreation. The Code is intended to be flexible for all organisations to adapt and use appropriately. An NGB of sport may represent one sport; a CSP may represent an area and therefore a number of different sports and activities; a membership body may represent a number of delivery agents; a campaigning organisation may work across many issues; and many other types of organisation exist in our sector. The Code has attempted to use language which is relevant to all different types of organisations. However where terminology does not fit exactly with your organisation it is anticipated that you will be able to take the meaning and adapt the wording appropriately.
The Board must look to uphold the highest standards of integrity not only in what it does but in the wider environment of its sport, recreation, activity or area.

**PRACTICAL CONSIDERATIONS:**

- Setting and protecting the vision, mission, values and reputation of the sport, recreation, activity, area and organisation
- Maintaining high sporting ethical standards
- Taking the athletes’ or participants’ views into consideration during decision-making processes
- Protecting and promoting the moral and physical wellbeing of participants
- Actively promoting and monitoring equality and diversity
- Ensuring each Board member has adequate time to dedicate to their role and does not take on too many roles to be effective
- Upholding education and training on anti-doping issues if appropriate
- Determining what ‘fairness of competition’ means within the sport or activity and upholding it
- Developing rules and regulations in cooperation with participants
- Ensuring illegal activities do not impact on the competition (e.g. corrupt betting)

**THINKING POINT**

It is vital not only from a conflict of interest perspective, but from a time perspective that your Board members are able to effectively contribute and are not limited by the amount of roles or activities they are engaged with. It can be helpful to have Board members who sit on other committees or Boards because of the experience they will bring or their knowledge from an international perspective. However in order to be effective as Board members, each individual will need to have sufficient time to dedicate to delivering their role and to understanding the context they are operating in. You should bear this in mind when appointing Board members and try to get the right balance between finding someone who knows everyone and is involved with everything, versus someone who doesn’t understand the context they operate in at all.
Putting in place an integrity infrastructure is vital for sport in order to avoid the cumbersome and costly investigations that can tarnish its reputation. Sport-specific risk assessments allow NGB’s to focus resources where they are most needed and consultation with participants is important in ensuring sport can be proactive and not reactive to threats to its integrity such as corrupt or suspicious betting.

Darren Bailey, Director of Football Governance and Regulation, The FA

- Ensuring your organisation is equipped to manage threats to the safeguarding of children and vulnerable adults
- Being aware of risks to the sport, recreation, activity or area and monitoring and responding to them appropriately
- Establishing rules and regulations for participants to abide by which maintain standards and foster appropriate development of the sport
- Promoting and communicating the interest of the sport, recreation, activity or area to a wider audience to raise the profile and ensure representation is reality

This principle really focuses on the ability of the Board to understand and navigate the correct balance between ethical standards and legal requirements. In a self-regulated sector it is vital that the members of the Board are aware of legislation that will affect the organisation. In addition it is also appropriate for Board members to protect the integrity of the organisation and everything it relates to. If there is too much influence from external sources then the activity, sport or recreation would cease to resemble itself. It is vital that Board members understand the cornerstones and foundations of their organisation that need protecting. They may do this through listening to key stakeholders, such as participants, or by putting in place practices and standards to ensure they meet legal obligations. The key question is ‘what are the vital parts of your organisation and the wider environment that needs to be maintained?’
SECOND PRINCIPLE
DEFINING AND EVALUATING THE ROLE OF THE BOARD

The Board needs to understand and evaluate the role it plays and the way it can contribute to the organisation.

PRACTICAL CONSIDERATIONS:

- Being familiar with the governing document e.g. articles if a registered company
- Reviewing and updating the governing document
- Being aware of the structure of the organisation
- Creating clear roles and divisions of responsibility and having role descriptions for key roles on the Board
- Having clarity on the role of the Board overall and the various functions it will fulfil
- Helping to appoint senior staff members and Board members (elected, selected and independent – as your governing document allows and dictates)
- Recruiting, appointing, monitoring and supporting the CEO
- Taking responsibility for the welfare of staff
- Having appropriate information on all aspects of their organisation
- Putting in place codes of conduct and terms of engagement for the Board
- Ensuring Board members understand their personal legal responsibilities
- Running effective Board inductions
- Establishing division of responsibilities between the Chair and Chief Executive and have them set out in writing and agreed by the Board
- Providing all Board members with on-going training and development to ensure they are adequately informed and confident in their roles
- Collectively reviewing and running a Board skills audit once a year
- Ensuring each member of the Board carries out a self-assessment and has an informal annual one-to-one meeting with the Chair
- Ensuring the Chair receives an annual formal review from a designated member or members (two maximum) of the Board
- Ensuring that if your organisation is constituted as a company your directors are aware of company law requirements and their individual responsibilities
The Rounders England Board has taken time out to fully explore their roles and responsibilities, and to evaluate their performance. This has resulted in a better understanding of the role of the Board and its directors, which is particularly important as the organisation develops and moves from a volunteer-based organisation to a professionally led organisation. The Board has had to change to become more strategic as paid staff take on more of the operational responsibilities, and the performance evaluation has helped this process tremendously.

Alison Howard, Chief Executive Officer, Rounders England

The idea of each Board member having a review may seem cumbersome and unnecessarily formal, particularly if each Board member is a volunteer. However, it is important for each individual to have a discussion about what they want to contribute and how they feel they have been delivering against their own expectations. The passion of volunteers needs to be embraced and frustrations dealt with appropriately so that they do not hinder effective decision-making. Your organisation may want to take an informal approach and ensure your Chair speaks with each Board member at a suitable time. Alternatively it may be more appropriate for a structure to be put in place where a meeting is scheduled for the purpose of review and reflection. On the one side is accountability of your Board ... on the other side is the individual who will welcome the chance to discuss and reflect on the role and the value they are adding to your organisation.
THIRD PRINCIPLE
DELIVERY OF VISION, MISSION AND PURPOSE

The Board should set the high level strategy and vision of the organisation and ensure that it is followed without becoming involved in the operational delivery.

PRACTICAL CONSIDERATIONS:

- Putting the participant at the core of the mission of the organisation
- Identifying the values of the organisation to feed into the strategy
- Ensuring the values include inclusivity and diversity
- Conducting a strategic review
- Creating a strategic plan in consultation with staff and other stakeholders (particularly participants) which sets a vision of what the sport, recreation, activity or organisation is planning to achieve that is separate from funding agreements
- Creating appropriate committees which will be given delegated authority, such as reviewing budgets and operational plans
- Delegating operational issues outside the Board room to individuals with a remit to deliver the operational function
- Ensuring there are sufficient resources available to deliver the strategic plan and a comprehensive risk register is in place to identify any risks to achieving the plan
- Ensuring appropriate business planning tools are in place
- Ensuring sufficient resources are available to deliver the strategic plan
- Keeping member and participant focused in order to adapt to changing society
The role of good governance within The British Sub-Aqua Club (BSAC) has led our Board to concentrate on leading and providing strategic direction for BSAC. By following this process, we have moved away from managing operational issues allowing our teams of staff and volunteers to do this effectively. As a result, BSAC has seen growth, innovation and has become a more customer/member focussed organisation.

Mary Tetley, Chief Executive, British Sub-Aqua Club

Creating a strategic plan can be a challenging task and one which often gets taken on by one or two enthusiastic individuals. As organisations grow and develop they will have different challenges when it comes to creating a strategic plan. It is important that the strategic plan is developed in partnership with staff, stakeholders and participants so that everyone buys into the direction the organisation is taking. Too often the consultation is left to the last minute or forgotten altogether. For a strategic plan to be effective it needs to mean something to everyone and the best way for this to happen is for everyone to be given the chance to contribute. The logistics of making this happen shouldn’t be a barrier to the principle. It is also important that the strategic plan is a plan for your organisation and is not a construct of various funding agreements. Your strategic plan should reflect funding requirements but it shouldn’t be hinged on them solely.
FOURTH PRINCIPLE
OBJECTIVITY: BALANCED, INCLUSIVE AND SKILLED BOARD

The Board should be made up of individuals with the right balance of skills and experience to meet the needs of the organisation. Included in this is a need for independent expertise and for representation of the diversity of the sport and the communities they serve.

PRACTICAL CONSIDERATIONS:

- Putting in place appropriate recruitment practices for new Board members
- Ensuring a balanced and inclusive interview panel and nominations panel for Board appointments
- Ensuring Board succession planning is taken into consideration
- Ensuring Board composition adequately reflects society and is mindful of diversity

We see more clearly than ever how homogeneity at the top of organisations can lead to narrow thinking and a lack of proper challenge to Chief Executives. It is in everyone’s interests that this changes. We have to make the best of the available talent and reach out to the widest talent pools to find it.

Helen Alexander, CBI President “Room at the Top” 2011

THINKING POINT
Having a wide range of perspectives represented on the Board is critical to achieving good governance. The representation should not be confused as representation of geographical areas or functional representation. The representation in relation to diversity and inclusion is focussed on ensuring that difference is embraced and valued for the breadth of perspective that benefits the organisation.
There remains a lack of female representation at senior management levels at many of our national sports bodies. This contributes to the gender gap in sports participation and I want to see it redressed.

Hugh Robertson MP, Minister for Sport and the Olympics, January 2011 DCMS blog

- Having a Board that comprises a workable maximum of ten people for effective decision-taking

- Having at least two independent non-executive Board members bringing knowledge and experience from outside the sport

- Ideally having an independent Chair to bring an objective perspective

It is recommended that a Board is no bigger than ten people to ensure effective decision-making. This will differ depending on the size of an organisation. For example, a large organisation will find a Board of ten people very workable; however a smaller organisation may find a smaller Board more appropriate. The number of ‘ten’ is offered as an ideal.

The rationale for involvement of independent Board members has already been outlined earlier in this Code. It is set out as desirable for an organisation to appoint an independent Chair where objective challenge, leadership and decision-making are crucial. The larger organisations may benefit from this approach. It is acknowledged that smaller, developing organisations may want to appoint a Chair with knowledge of the sport, recreation or activity as this will enable them to grow. The real questions to be asked are: if your organisation is using the role of Chair appropriately and whether the objective challenge can be performed effectively by the chosen individual? To achieve independence you need people on your Board who are able to make decisions without personal prejudice or influence.

- Ensuring that Board members are chosen on the basis of their competence, ability, quality, leadership, integrity and experience
We have recently changed the composition of the British Gymnastics Board from 25 directors, representative of disciplines, regions and home countries, to a competency based Board of 12 executives and non-executives. We welcome the development of a Code for the sport and recreation sector and we intend to adopt it as our own Code going forward.

Alan Sommerville OBE CDi MIoD, Chair, British Gymnastics

It is recommended that organisations move towards appointing a skills-based Board with appropriate role descriptors for each member. Historically organisations have grown and developed with representative Boards, where either regions elect an individual to represent their views on the Board, or where each faction of the activity, sport or recreation elects a representative to sit on the Board – such as an official’s representative or a junior competition representative. The representative approach can lead to decisions being affected by personal interest. The appointment of each individual based on their skill-set should ensure an objective level of decision making and help the organisation professionalise in the changing external world.

- Using outside experts in specific fields when necessary
- Setting terms of office for Board members that are limited in duration to ensure the Board is refreshed regularly and a balance of continuity and fresh perspective is maintained
- Ensuring the voice of the participant is heard or represented to the Board (this can be achieved through participant representation, by portfolio responsibility or through committee structures)
- Ensuring diversity is championed on the Board (this can be achieved through portfolio responsibility, quota setting or mentoring programmes)
- Ensuring the Board has appropriate representation from Officers but that personal opinions do not influence decisions
- Ensuring power sharing is practiced in decision-making processes
- Ensuring that challenge and discussion is encouraged in a controlled meeting and conflict is resolved appropriately
The composition of your Board and the way your Board is elected or appointed is usually dictated through your governing document. If you have a representative structure where regions elect individuals to hold a place on your Board and you want to change the structure to a skills-based Board you may need to get your membership to vote through the change to your governing document. This may be a long process and in some cases you will have to demonstrate and advocate the reasons why you want to make a structural change. At times you may be asking people to effectively vote themselves out of a role or position in favour of a new structure. You will need to present a convincing argument and obtain buy-in to make this happen … making the change may be difficult but you should strive to achieve a Board made up of individuals appointed because of their abilities, skills and experience.

The key to change in this area is to clearly identify and agree the benefits that a new model of leadership and governance would bring to all parties, whether it be more streamlined decision-making for the Board, greater transparency and openness in communication to the members, or better defined roles and responsibilities between staff and volunteers. Once everyone understands these outcomes, barriers to change are minimised.

Pauline Harrison,
Director, Sport and Recreation Alliance
The Board needs to be conscious of the standards it should operate to, and its role in exercising appropriate and effective control over the organisation.

**PRACTICAL CONSIDERATIONS:**

- Being aware of the regulatory and legal requirements for the organisation
- Ensuring a clear set of policies are in place and reviewed annually (such as a risk management policy)
- Putting in place appropriate financial management controls
- Ensuring authority is delegated appropriately through committee structures and that checks and balances are in place to manage inappropriate use of decision-making responsibilities

"The preparation of a risk management strategy and particularly a risk management matrix has assisted considerably in early identification of matters requiring attention, to prevent them becoming major issues."

David Shuttleworth, Chief Executive, English Lacrosse

"Embedding a culture of risk identification and risk management throughout the organisation has led to a growth in confidence to explore new and innovative ideas."

Jane M Nickerson, Chief Operating Officer, Amateur Swimming Association
In the current economic climate with uncertainty over funding, it is vital that the Board ensures that the financial controls, processes and policies in place are robust enough to cope with increased membership scrutiny.

**Craig Wagstaff, Finance Director, The English Golf Union**

- Ensuring effective systems and processes are in place
- Ensuring legal obligations in relation to personal data are understood and implemented at the appropriate level within an organisation
- Ensuring legal obligations are understood and implemented appropriately across the organisation
- Ensuring adequate mechanisms are in place for participants to feed in their thoughts and be involved with the development of the organisation
- Rationalising sub-groups and empowering groups within the sport to work together
- Assessing risks relating to events

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THINKING POINT

The level of control, systems and processes that need to be implemented will vary greatly depending on the size of the organisation. It is important to appreciate that where external funders need to see an organisation is ‘fit for purpose’, the system and process may be dictated in detail. Where organisations do not receive funding they should still be exercising effective controls and systems. The important discussion point is making this relevant to your organisation. Risk management in sport is so often thought of as liability for accidents and/or financial risks. Both types of risk are important, but a thorough risk management strategy should look strategically across the organisation at the potential risks that exist which may stop the organisation achieving its vision, mission or purpose. For example what are the risks that may stop your organisation growing; what are the risks that may prevent your participants from becoming elite level athletes; do you have a risk associated with access to facilities?
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SIXTH PRINCIPLE
ACCOUNTABILITY AND TRANSPARENCY

The Board needs to be open and accountable to its membership and to its participants and its actions should stand up to scrutiny when reasonably questioned.

PRACTICAL CONSIDERATIONS:

- Running consultations with different stakeholders
- Putting in place appropriate complaints and appeals procedures
- Being ethically responsible and treating everyone fairly and equally
- Embracing differences and similarities and ensuring representation on the Board reflects membership and the wider society
- Ensuring published accounts are made available to members
- Informing people about the work of the organisation and the work of the Board
- Ensuring all processes and decisions are as transparent as possible
- Making use of structures and meetings to fully engage with members and participants
- Ensuring there is a conflicts of interest policy in place and that declarations of interest are updated at least once a year and declared in relation to agenda items at each Board meeting
- Regular and prompt communications of Board papers in advance and following meetings
- Appropriate mechanisms in place for participants to feed in their thoughts and have their concerns and questions answered appropriately

One of the issues you may wish to consider in relation to transparency is the use of alternative dispute resolutions or mediators. Where participants may feel aggrieved or tempted to challenge the decision of an organisation, the use of an organisation such as Sport Resolutions UK may help to demonstrate an open and transparent decision-making process. Ultimately this type of approach may also protect the organisation from costly legal challenges raised by participants. In addition it may also be worth considering the relationship with participants and organisations which represent athletes and participants. An open and transparent approach could lead to a more effective organisation that is supported by all stakeholders.
Accountability and transparency ensure that our members and stakeholders know how we, as an organisation, are operating and have a vehicle to address concerns. Unless members feel that the organisation exists for their benefit and stakeholders have the confidence that an NGB operates in an ethical, robust and open way they will seek to find other activities and organisations that meet their needs. Whilst keeping accounts and ensuring policies and procedures are publicised and adhered to might appear to be an unnecessary task not related to encouraging participating, it is in reality the most essential role of an NGB as it enables sustainability and development.

Matt Lloyd, Chair, British Sledge Hockey Association
SEVENTH PRINCIPLE
UNDERSTANDING AND ENGAGING WITH THE SPORTING LANDSCAPE

The Board needs to be aware of the international and domestic sporting worlds and position its organisation appropriately.

PRACTICAL CONSIDERATIONS:

- Understanding key relationships with other bodies i.e. funding partners, commercial partners etc.
- Checking and challenging links are maintained with appropriate international governing bodies
- Reviewing and directing appropriate links with home countries sports partners and other key stakeholders
- Creating a dedicated structure for engaging with athlete associations, participant networks and individual participants and members
- Encouraging partnership development with appropriate agencies, for example local authorities, the education sector, the health sector, the commercial sector etc.
- Defining the relationship between the NGB and the clubs, members and participants and the responsibilities the sport has to each constituent
- Understanding the pyramid of sport and the relationship between grassroots and elite level participation
- Overseeing and agreeing a vision for sports development that is appropriate for the membership and participants
- Establishing an approach for liaising and working with other organisations in partnerships where appropriate
- Acting in a socially responsible way. For example, working on participant education, interaction with the local community, respecting the environment, investing in grassroots sport etc.
- Working with like minded organisations to set similar standards in order to minimise bureaucracy for participants
- Ensuring systems are in place to appropriately manage members’ expectations
- Ensuring volunteer management is looked after within the organisation
- Playing an appropriate role in events to promote the sport and uphold required standards set by other sporting bodies domestically or internationally
- Developing the commercial imperatives to ensure sustainable development
Thinking POinT

It is vital that you think about this principle in relation to the strategic and operational divide. In some organisations it may be appropriate for Board members to take more of a lead on actively promoting relationships across the sporting landscape. In other organisations this will be the role of the executive and the Board members will take on strategic oversight and ensure that all relations are being maintained appropriately. In your organisation it is important you establish the level of engagement your Board members are expected to have with other organisations and whether this needs to be something they actively do themselves or something they supervise and challenge others to do.

“
The Volleyball England Board took the decision to host a four-day European Board of Administration meeting in London. It was an expensive and exhausting few days but the good will and influence gained has already come to fruition with new appointments to European Commissions from England.

Lisa Wainwright, Chief Executive, Volleyball England

“
Over the last few years momentum around the need for good governance in sport and recreation organisations has been building.

- The 2003 ‘Investing in Change’ report developed by Deloitte recommended that ‘one clear view amongst the Sports Councils on what comprised best practice on governance matters for NGBs should be created and offered to the sector as a vision for NGBs to aspire to’.

- The 2009 Dutton Inquiry, commissioned by Sport England stated that: ‘Good governance is not something which can be plucked off a shelf and placed into the lap of a governing body. Good governance requires willingness and active engagement on the part of those involved in the governance of a particular sport, sufficient funding, and application of the principles of good governance within the governing body itself’. (Timothy Dutton QC)

- The 2010 ‘Good Governance in Sport: a Survey of UK National Governing Bodies of Sport’ report, created by Birkbeck, University of London, identified key governance issues and made recommendations on principles for the sector to put into practice.

- SkillsActive has 46 NGB Skills Plans during 2010/11 (developed with partnership funding from Sport England) that show a major requirement for governance support – particularly around operating standards development; role descriptors; skills audits; and individual Board member training and business coaching support.

- The Sport England and UK Sport self-assurance and on site audit processes were developed to assess the adequacy of funded organisations governance, finance and control frameworks and to consider whether funding is properly managed and accounted for.

Coupled with this momentum there was an increasing awareness of the uniqueness and the ‘specificity’ of sport.

- The EU recognises the ‘specificity’ of sport and the need for sports organisations to remain as self-regulated as possible in relation to EU law.

- The National Council for Voluntary Organisations (NCVO) indicated a desire to develop tools and materials that are more relevant and better suited to sport and recreation organisations.
The Sport and Recreation Alliance played a pivotal role in pulling together representatives from: Birkbeck, University of London; the British Olympic Association; the British Paralympic Association; SkillsActive; Sport England; and UK Sport to support the development of a Code for our sector. Organisations were encouraged and mobilised to take ownership of the development of the Code through drafting and consultation sessions.

The Code was discussed and developed further through the Sport and Recreation Alliance Governance Stakeholder Group and a final version was agreed and published in the spring of 2011. The final draft of the Code is based on feedback received from 81 organisations, of which 85% said they would sign-up to the Code and over 60% felt that the principles captured the essence of good governance in the sector.
The Sport and Recreation Alliance and its Governance Stakeholder Group is particularly grateful to Joy Tottman who acted as the secretary to the Group and who also created the first draft of the Code. It is also grateful to Sallie Barker for her role in leading the project.
Founding group organisations

**BRITISH OLYMPIC ASSOCIATION**

The BOA provides the pivot around which Team GB revolves prior to, and during the Olympic Games. Working with the Olympic governing bodies, the BOA selects Team GB from the best sportsmen and women who go on to compete in the 26 summer and seven winter Olympic sports at the greatest sporting competition in the world.

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**BRITISH PARALYMPIC ASSOCIATION**

The British Paralympic Association (BPA), brand name ParalympicsGB, is a registered charity which is responsible for selecting, preparing, entering, funding and managing Britain’s teams at the Paralympic Games and Paralympic Winter Games.

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**BIRKBECK, UNIVERSITY OF LONDON**

The Birkbeck Sport Business Centre is a dedicated research centre of Birkbeck, University of London. It brings together international experts in sport management to deliver high quality research on two levels. It provides research consultancy to organisations involved in the business of sport. As an academic research centre, members also publish in academic journals and present at conferences.

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**SKILLSACTIVE**

SkillsActive is the Sector Skills Council for Active Leisure, Learning and Well-being working with the sport, fitness, playwork, the outdoors and caravan sub-sectors. It’s role is to create a framework for qualifications, training and continuous professional development based on sector requirements and standards that have been designed by employers, ensuring their workforce is appropriately trained and qualified.

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77-91 New Oxford Street
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**SPORT ENGLAND**

Sport England focuses on the creation of a world-leading community sport system. It invests National Lottery and Exchequer funding in organisations and projects that will grow and sustain participation in grassroots sport and create opportunities for people to excel at their chosen sport. It is accountable to Parliament through the Department for Culture, Media and Sport.

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**UK SPORT**

UK Sport is responsible for investing around £100 million of public funds each year – from both the National Lottery and the Exchequer – in high performance sport. This money is now supplemented by the income from a private sponsorship scheme, ‘Team 2012’. It is accountable to the Department for Culture, Media and Sport (DCMS), and has a very clear remit at the ‘top end’ of Britain’s sporting pathway, with no direct involvement in community or school sport.

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<td>Running Sports</td>
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