



A CHARTER FOR SPORTS GOVERNANCE IN THE UNITED KINGDOM

Bodies tasked with organising sport are holders of public trust. They are the guardians of something which is precious to millions and in many cases they are recipients of substantial public funding. Public funding is a privilege, not an entitlement, and carries a responsibility to uphold the highest standards of integrity, creating a trustworthy, safe and inclusive environment not only for those wishing to take part but also for those investing or donating time and money.

Good governance helps organisations to achieve these outcomes by driving organisational excellence and integrity.

Governance in the publicly funded sport sector in the United Kingdom is already at a good standard. There are many exemplars of sports organisations with outstanding governance and exceptional leadership whose achievements should be recognised and celebrated. Later this year a new Governance Code for Sport in the UK will be published. It will build on this achievement, and the existing governance requirements of UK Sport and Sport England and set out the governance standards that will be expected of sports bodies seeking public funding with effect from 2017.

The Code will be ambitious in setting high expectations for anyone in receipt of public funding, thereby not only protecting public investment but helping good organisations to become exceptional. The standards in the Code will be applied on a proportionate basis reflecting, among other factors, the size and type of organisation.

This Charter outlines some, but not all, of the key elements that we are seeking to include in the Code.

We expect exceptional leadership and will look to leaders to actively promote and deliver the principles and standards in the Code.

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1. Transparency

Organisations must work transparently.

Organisations must make sufficient information available to both stakeholders and the public in order to explain:

- Why the organisation exists (e.g. mission, purpose)
- What it is trying to do (e.g. strategy, objectives)
- How it is doing it, and with what results (e.g. annual report and accounts, strategic reporting)
- How its decision making is structured (e.g. terms of reference, balance of responsibilities)
- Who its key people are and their roles (e.g. biographies of board members, trustees, senior executives)
- How much it has cost, with particular transparency around public funding (e.g. accounts)

All organisations in receipt of public funding must complete and publish an annual governance statement that sets out how they have met the requirements of the new Code. This statement to be fair, balanced and easily understandable.

In their position as guardians and stewards, leaders of organisations must seek to ensure that their organisations continuously strive for improvement and excellence, demonstrating innovation and creativity. They should adopt an open culture throughout the organisation that makes it normal practice to discuss things that have gone wrong or need improvement.

2. Integrity

Organisations and those leading them must work to the highest standards of integrity.

Those holding senior positions of office (e.g. board members, trustees, chief executives) will sign a declaration which sets out:

- a commitment to the organisation's purpose, aims and objectives; and
- that they are of 'good character' (to be defined in the Code by reference to objective criteria), have the necessary skills and experiences for their role and their professional conduct while in office will be of the highest standard.

The Code will require relevant organisations to demonstrate that they have adequate measures, education and prevention programmes in place to protect against sport manipulation.

3. Financial probity

Organisations must exhibit undeviating honesty, integrity and competence in financial matters.

Organisations must be fully accountable to their public funders for the management and use of funding, demonstrating how they have applied it to achieve the purposes for which it was given. They must therefore account for every public penny, with annual accounts including sufficient disclosure of public income and expenditure.

For larger organisations (including national governing bodies of sport, national partners and others): Organisations must make independently audited accounts available to stakeholders and the public.

4. Leadership and decision making

Organisations must be led by fit-for-purpose boards

The Code will restate (and in some cases build upon) existing requirements concerning boards (including term limits and size of board).

The Code will seek to ensure best practice in decision-making and control mechanisms.

5. Membership

Organisations must work to ensure that internal democracy is vigorous and healthy.

Vigorous democracy is important for organisations with membership bases and further consultation will be undertaken in order to identify best practice in how governing bodies should connect and engage with their members.

6. Independence of thought

Organisations' decision-making bodies must include a sufficient number of people who are free from a close connection to the organisation and who provide constructive challenge.

All organisations must demonstrate that their decision-making process includes 'critical friends' –trusted persons who are able to ask provocative questions and provide independent challenge. This creates a breadth of perspective within the decision-making body, and ensures that decisions are properly tested.

We will consult on a new, shared definition of 'independent'.

For larger organisations (including national governing bodies of sport, national partners and others):

We will consult on increasing independence on boards including:

- whether the existing requirement of a minimum of 25% (and ideally a third) of independent board members should be increased.
- a possible new requirement for independent chairs.

Organisations should consider whether they would benefit from the introduction of a senior independent director.

7. Diversity

Organisations must have diversity in their leadership and decision making, and at all levels of the workforce.

'Diversity' encompasses not only the protected characteristics of the Equality Act 2010 but also socio-economic background and diversity of thought. Organisations should seek to recruit to their decision making bodies people who think in different ways as well as those who have different backgrounds.

Organisations will be required to publish a detailed annual explanation of what steps they have taken to address this.

For larger organisations (including national governing bodies of sport, national partners and others):

- The target for women on boards (or men where they are the underrepresented group) will be increased from a minimum of 25% to 30% (in line with wider business practice, such as the 30% Club).

- There will also be consultation on the introduction of other specific targets (including for BAME and disability representation on boards) and guaranteed interview schemes for under-represented groups.

8. Culture

A healthy organisational culture is vital to the long term success of an organisation.

There are strong links between good governance and organisational culture. Feedback from within and outside of the sector has endorsed this. Good organisational culture is driven by the leadership and embedded throughout the organisation. We will develop work around this, building on existing models (such as Sport England's high performing national governing body tool). One output may be the development of diagnostic tools to help organisations understand and measure their culture.

9. Sport England and UK Sport commitments

Recognising and rewarding good governance

We will celebrate good governance by commending it publicly and by rewarding organisations that can demonstrate a robust approach to governance and evidence of continuous improvement.

Single assessment procedure

We will develop a single assessment procedure and will look at developing and publishing benchmarked data.

Single assistance programme

We will work together to support organisations to improve governance and achieve the requirements of the new Code.

Databank of qualified candidates

We will consider how best to establish an accessible databank of qualified candidates, particularly those from under-represented groups, for board/senior executive positions.