



## Governance statement

### 1.0 Scope of responsibility

Active Gloucestershire is a charity and a company limited by guarantee, incorporated on 12th August 2010. The organisation was registered as a charity on 25<sup>th</sup> October 2010. Its objects and powers are set out in its Memorandum and Articles of Association.

It is the responsibility of the Board and CEO to ensure that Active Gloucestershire has effective governance arrangements, including a sound system of internal control, as well as continuously striving to improve its governance and meeting changing legal and other requirements.

### 2.0 Statement

This statement covers the following areas:

- Board membership
- Board diversity
- Board evaluation
- Board committees
- Board responsibilities and activity
- Risk management principles
- Internal controls
- Changes to risk appetite - handling new delivery risks
- Governance improvement

#### 2.1 Board membership

Active Gloucestershire currently has an active and effective Board of eight Trustees, comprising a Chair, a Senior Trustee and six other Trustees, all of whom are recruited transparently and on a skills-led basis. In April 2018, Active Gloucestershire's Chair, Mr. Brian Hudson, resigned and Senior Trustee, Sue Bailey was appointed acting Chair. On September 12<sup>th</sup> 2018, following an open and transparent recruitment process, Active Gloucestershire appointed a new Chair, Mr. Jan Bowen-Nielsen. Other membership changes this year, include the resignation of Dr. Anita Navin in December 2017.

All Trustees are appointed for an initial term of three years. No Trustee may serve more than nine years (consecutively), however, in exceptional circumstances and with prior agreement by the Board, a Trustee who has served as Chair for a total period of nine years, may remain in office as a Trustee. In addition, whilst any Trustee who retires from the Board after a period of nine years is ineligible for re-appointment for a period of four years, after this time, should they successfully be re-appointed as a Trustee, their years of service will commence again at zero.

## **2.2 Board diversity**

Active Gloucestershire fully acknowledges the importance of having a diverse Board. Following collaboration, in May 2018, with Inclusive Boards (a national organisation appointed by Sport England to support County Sports Partnerships in their drive towards improving equality and diversity), Active Gloucestershire is working to improve its current equality and diversity action plan and further develop its commitment to openness, transparency and diversity.

Active Gloucestershire currently has three female Trustees, representing 37.5% of its total membership, a figure that exceeds the Code for Sports Governance's requirement of a minimum 30% of each gender. Active Gloucestershire continues to strive to ensure further diversity on its Board as part of its equality and diversity plan.

## **2.3 Board evaluation**

Over the course of 2017-2018, Active Gloucestershire addressed a number of areas that had been highlighted for improvement. These included:

- Reviewing the Trustee induction process
- Creating a Trustee handbook
- Reviewing policy and procedures
- Assigning champion leads on the Board for equality and diversity, safeguarding and vulnerable adults.
- Assessing the organisation's equality and diversity action plan by Inclusive Boards and the organisation of diversity training for Board members
- Trialling new ways of conducting Board business
- Conducting Trustee appraisals

In October 2018, the Board undertook its most recent effectiveness survey, identifying the following areas for development in 2018/19:

- Establishing a Nominations Committee
- Developing a Board recruitment strategy
- Reviewing and developing the succession plan
- Working better as a team by understanding each other's strengths and weaknesses through individual appraisals and psychometric testing
- Implementing an annual internal audit check

The next Board skills audit and performance appraisal will be conducted in October 2019 and such evaluation and assessment exercises will be administered annually.

## **2.4 Board committees**

### **FRSC committee**

The Board has a Finance and Resource Sub Committee (FRSC) which meets at least five times a year. Its responsibilities include:

### *Finance*

- Reviewing, in detail, the organisation's financial position, financial instructions, and internal controls, making recommendations for change to the Board
- Reviewing and approving virement above £5,000.00 and budgets above £25,000.00

### *Audit*

- Recommend the appointment of an external auditor, to the Board.
- Making recommendations to the Board about the content and presentation of the annual report, financial statements and management letter.

### *Human Resources*

- Reviewing the outcomes of the annual staff satisfaction survey and the subsequent actions proposed by the CEO.
- Reviewing any staff related policies and procedures as required by the Board.
- To consider proposals for changes to staff terms and conditions of employment and their impact on the organisation and its staff.
- Reviewing compliance with the organisation's legal obligations in relation to the employment of its staff.
- To consider any other matters relating to HR issues of the organisation referred to it by the Board.

### *Information and Communications Technology (ICT)*

- Reviewing the organisation's use of ICT, including its ICT strategy and policies and procedures

All members of FRSC are members of the full Board.

The head of finance provides the papers for the FRSC meetings and is the committee's secretary. The FRSC is chaired by a Trustee who has extensive financial and business understanding. The Board and FRSC both have terms of reference and forward schedules of business to facilitate effective planning and assurance. The minutes of the FRSC are submitted to subsequent Board meetings for discussion and approval.

The FRSC's performance was evaluated as part of the wider Board audit in October 2018.

### **Nominations committee**

In October 2018, the Board also agreed to establish a Nominations Committee that will be responsible for leading the process for Board appointments. It will meet at least twice a year and ad hoc as required. Its main responsibilities will include:

#### *Trustee recruitment*

- Making recommendations to the board on the Trustee recruitment strategy
- Deciding on the recruitment process that will be executed by the staff team
- Being on the recruitment panel for new Trustees
- Informing Sport England of new Trustee recruitment campaigns and agreeing if/how to involve them

- Nominating for approval by the Board, candidates to fill Board vacancies

#### *CEO recruitment*

- Leading the CEO recruitment process and succession planning (including inputting into senior management team recruitment)
- Informing Sport England of CEO recruitment plans and agreeing if/how to involve them
- Nominating for approval by the Board, the candidate to fill CEO vacancy

#### *Board Performance*

- Making recommendations to the Board on the Board's performance management policy e.g. setting Board evaluation criteria
- Regularly reviewing the structure, size and composition (including skills, knowledge and experience) of the Board

#### *Succession Planning*

- Regularly reviewing the succession policy for the Board, including the Chair and SID liaison with Sport England

## **2.5 Board responsibilities and activity**

Active Gloucestershire's Board determines the organisation's strategic direction and alignment, provides oversight and accountability and ensures governance is shared rather than centralised within one single agency or individual.

One of the Board's main priorities involves supporting the organisation's CEO and senior management team to deliver Active Gloucestershire's business plan. Since 2016, Active Gloucestershire's strategy has changed to focus on utilising a whole-system-approach to getting inactive people more active.

The Board is also responsible for analysing the organisation's performance and does so through the examination of key performance indicators and targets outlined in the CEO's report. It also has a duty to both maintain the financial health of the organisation, which it does by scrutinising the financial information contained within the FRSC report and the external auditors report. The Board continually reviews risk, which it does via the risk register.

In addition, the Board's role involves approving organisational policies and procedures, thereby ensuring effective operational governance is in place and ensuring that Active Gloucestershire operates in accordance with charitable and company law and that its reputation is upheld. The 2017-2018 CSP partner satisfaction survey resulted in a net promotor score (NPS) of 60% for Active Gloucestershire.

During 2017-2018, the Board met five times with records of attendance noted in the minutes taken at each meeting. The Board's principal areas of focus during 2017-2018 has been:

- Supporting the launch and implementation of the first phase of Gloucestershire

## Moves

- Supporting income generation for Gloucestershire Moves
- Chair recruitment and induction
- Organisational restructure and recruitment of senior management team
- The full review of governance including Memorandum and Articles of Association and development of a Trustee Handbook
- Reviewing policies as per the policy cycle

## 2.6 Risk management principles

Active Gloucestershire's Board has considered major risks to which the organisation is exposed and has satisfied itself that systems and procedures are in place in order to manage and mitigate those risks.

The following key principles outline Active Gloucestershire's approach to risk management:

- As the principal executive and policy-making body of Active Gloucestershire, the Board is responsible for risk management and there is an active risk register in operation.
- It is responsible for maintaining a sound system of internal control that supports the implementation of policies, whilst safeguarding the public and other funds and assets for which it is responsible.
- There is an open and receptive approach to solving risk problems.
- Active Gloucestershire makes prudent recognition and disclosure of the financial and non-financial implications of risks.
- Senior staff within Active Gloucestershire are responsible for encouraging and implementing good risk management practice.

## 2.7 Internal controls

In addition to the Memorandum and Articles of Association, which outlines the way in which Active Gloucestershire is run, governed and owned, the Board has a number of systems in place to set the internal control environment i.e. a financial procedures manual and employee handbook within which are included policies on anti-bribery, fraud, disciplinary, grievance and whistle-blowing and a Trustee handbook which covers areas such as Board recruitment, risk management and a code of conduct for Trustees.

The Board undertakes ongoing reviews of these controls which includes evaluating the effectiveness of the organisation's policies and procedures every two years, or sooner if required.

In addition, the FRSC conduct deep dives into a number of non-financial areas with staff. These areas include; lone working, data protection, harassment and bullying, safeguarding and fraud.

## 2.8 Changes to risk appetite - handling new delivery risks

Active Gloucestershire is operating within a turbulent environment where physical activity levels have been dropping for some time. It is necessary, therefore, for the organisation to be innovative and to sometimes take strategic risks. The table below highlights some of the potential reputational and operational risks that Active Gloucestershire may face during the delivery of its business plan in 2018-2019.

Risk	Control
How do staff and Board become experts in building a social movement, developing their knowledge of behaviour change theory and rolling this knowledge out to its partners?	<ul style="list-style-type: none"> <li>• Staff and Board to receive training on behaviour change theory, building a social movement and how to deliver this training to its partners.</li> <li>• Access to behaviour change theory reading material and literature on building a social movement</li> <li>• Governance of Gloucestershire Moves to include a broader range of people from diverse backgrounds</li> <li>• Trustee skills gap to be addressed through open and diverse candidate recruitment and selection process.</li> </ul>
How can Active Gloucestershire control the risks associated with building relationships with new partners in unfamiliar sectors?	<ul style="list-style-type: none"> <li>• Strong stakeholder engagement between staff and new partners, through face to face meetings and the establishment of forums and networks that meet regularly</li> <li>• Recruitment of a Trustee with deeper knowledge and experience of networking and relationship building with funders and strategic bodies</li> </ul>
<p>Failure to secure funding/ contract targets</p> <p>Sport England funding significantly reduces / changes.</p>	<ul style="list-style-type: none"> <li>• Integrate all funding/contract targets into monitoring and evaluation and engage in monthly monitoring of all 'at risk' targets</li> <li>• Increase internal fundraising activity</li> <li>• Continue to focus on business development as a key priority.</li> </ul>

## 2.9 Governance improvement

Active Gloucestershire takes seriously its commitment to establishing a strong governance framework and as such its Board conducts annual reviews of its governance practices to ensure that it is not only fully compliant with the UK Code for Sports Governance but that the principles of openness, transparency and accountability are embedded within its culture and governs everything it does.

During the past year, Active Gloucestershire has achieved all of the agreed actions in its Sport England Governance Action Plan. It has therefore attained compliance with UK Sport and Sport England's 'Code for Sports Governance'. Adherence to the Code is an ongoing requirement of Active Gloucestershire's funding award agreements and as such it will continue to be monitored through a combination of Sport England assessment, independent assurance and self-declaration.

To ensure continual compliance Active Gloucestershire will focus on the following areas during 2018-19:

- Improving and implementing the diversity action plan
- Improving its website and how it publishes information on diversity
- Implementing a 3 year programme to review its internal controls with Active Gloucestershire staff
- Continuously reviewing policies and statements where necessary
- Updating its succession plan to include the appointment of a deputy CEO
- Carrying out an annual evaluation of the Board's skills and performance, and of individual Trustees and FRSC

### **3.0 Review of statement**

The Board undertakes a statement review annually. This statement was last reviewed in November 2018