

# sportscotland **SGB GOVERNANCE FRAMEWORK**

# Introduction

**sportscotland** invests in partner organisations to contribute to the delivery of the outcomes in our [corporate plan](#).

When making decisions on Scottish Governing Body (SGB) investment, we ensure that our decision making process recognises that the relationship between performance, development and good governance is fully integrated strategically and operationally and the decisions are based on robust integrated plans that have a clear focus on agreed outcomes. [Click here to view our investment principles](#).

In line with developments at a UK level, where UK Sport and Sport England have produced strategy documents around good governance, **sportscotland** has developed a new SGB Governance Framework. This sets out twelve core principles which will ensure consistency with our Investment Principles encouraging SGBs to improve their governance.

**sportscotland** aims to support SGBs to be high performing organisations producing results “in the boardroom” and “on the pitch”, through direct investment and a comprehensive package of support which will allow them to move closer to developing a world class sporting system at all levels in Scotland.

## What is governance?

The idea of corporate governance first came into being in the 1930's and since then there have been a number of reports discussing the merits and shortfalls of corporate governance.

In 1992, the landmark 'Cadbury Report' was produced after a series of high profile private sector cases involving financial reporting irregularities. This report described corporate governance as "the system by which organisations are directed and controlled" and offered a series of recommendations including the roles and responsibilities of the Chair and Chief Executive, transparency of financial reporting and the need for good internal controls.

The public sector has had its own journey defining and redefining corporate governance. In 1995, the Committee on Standards in Public Life (the Nolan Committee) identified seven principles of conduct underpinning public life "for the benefit of those who serve the public in any way" and recommended that public bodies should draw up codes of conduct incorporating these principles.

The Scottish Executive took the Nolan Committee recommendations one step further with the introduction of the Ethical Standards in Public Life etc. (Scotland) Act 2000. They identified nine key principles underpinning public life in Scotland, which determine the key behaviours of public bodies, their board members and officers, (see Appendix I for further details).

The 2014 International Framework: Good Governance in the Public Sector states "governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved." This Framework aims to encourage more effective public sector governance and better governed and managed public sector entities.

## Governance in sport

The focus on improved sports governance was heightened in the 1990s following a significant increase in public funding of sports bodies, particularly with the arrival of National Lottery in 1994.

As sport was increasingly being seen to be able to support delivery of a range of wider policy objectives, good governance procedures were adopted by UK Sport and the Home Country Sports Councils. For the first time governing bodies were required to produce detailed business plans with clear measurable targets and they were also encouraged to professionalise their structures. This work continues today.

**sportscotland**, as a publicly funded body, has a high degree of accountability and is required to have high standards of governance. Similarly, **sportscotland** expects all the organisations it invests in to be 'fit for purpose', well organised and well structured bodies, that make efficient and effective use of resources at their disposal.

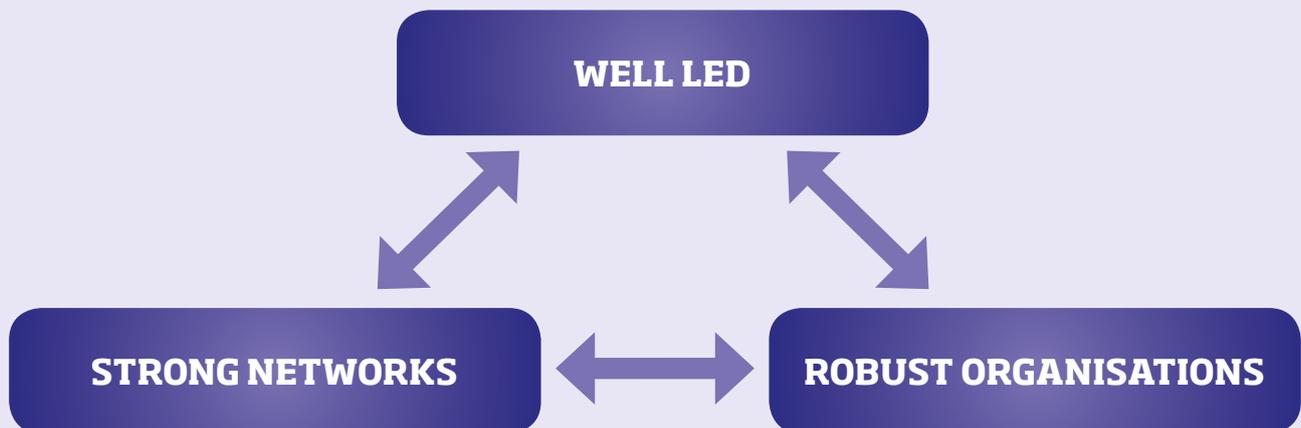
In 2013 **sportscotland** and colleagues across the UK agreed to adhere to a shared set of principles for good governance in sport.

## Achieving good governance in sport: a governance framework

The overarching aim of the governance framework is:

*“to enhance governance in Scottish Governing Bodies of Sport (SGBs) ensuring they are well led; robust and legally compliant; and are effective and efficient in their operations, fostering strong partnerships. SGBs will be investment ready, positioned for growth and best placed to deliver outcomes for the sport. They will provide real results and return on investment to their members, sportscotland and other strategic partners”.*

Implementation of the Framework will deliver good governance through improvements in three areas within SGBs: WELL LED; ROBUST ORGANISATIONS with STRONG NETWORKS. Each of the principles from the framework will link to one of the three areas.



## The twelve principles of good governance for SGBs in Scotland

### 1

#### Commitment to implementing the Nolan principles

##### Area: Well Led

##### What Does It Look Like?

The SGB is recognised by **sportscotland** and its peers as conforming to the highest principles of integrity, honesty and openness in public service, respected by members, partners and stakeholders. Board members understand the value of implementing the Nolan Principles in all they do, embedding ethical standards in the policies, practices and culture of their organisation.

##### How Will We Know We've Achieved It?

- Analysis through the Development Audit
- Commitment to deliver against an equality policy
- Bye Laws include description and requirement for board members to adhere to an agreed code of conduct
- Regular review of procedures
- Board members sign up to a conflict of interest register
- Board members act in a way that reflects the Nolan Principles

##### Where can I find out more?

Scottish Executive "On Board: A Guide for Board Members of Public Bodies in Scotland" incorporating "The Nolan Principles" Available at: [www.scotland.gov.uk/Publications](http://www.scotland.gov.uk/Publications)

Sport and Recreation Alliance (S&RA) "Voluntary Code of Good Governance for the Sport and Recreation Sector" available online at: [www.sportandrecreation.org.uk/governance](http://www.sportandrecreation.org.uk/governance)

Ethics in Practice: Promoting Ethical Conduct in Public Life: [www.gov.uk](http://www.gov.uk)

### 2

#### Commitment to continuous improvement

##### Area: Well Led

##### What Does It Look Like?

The SGB continuously improves their governance processes and frameworks. This will include but not be limited to continuous review and updating of M&As and byelaws, equality legislation and child protection.

Development of and reference to a skills matrix for board size and composition.

CPD and performance review processes for board members are embedded within the operating behaviours.

##### How Will We Know We've Achieved It?

- **sportscotland** will seek assurance that SGBs are making progress towards any recommendations raised via the development audit and self-assessment programmes
- Strategic plans included on Board agendas, regularly assessed / reviewed
- Documented evidence that SGBs are not only progressing levels of the equality and child protection frameworks but fully implementing all related policies
- Leadership identification and development programme in place and reviewed
- Competencies of board members maintained and developed

##### Where can I find out more?

Sport England "Things to think about" tool: [www.sportengland.org](http://www.sportengland.org)

"Smart Sport" section of the S&RA website: [www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

The Institute of Directors (IoD): [www.iod.com](http://www.iod.com)

The Equality Standard via the Equality in Sport website: [www.equalityinsport.org/](http://www.equalityinsport.org/)

Safeguarding in sport: [www.children1st.org.uk](http://www.children1st.org.uk)

### 3 Strategic planning framework

**Area: Well Led**

**What Does It Look Like?**

The SGB provides evidence of their strategic planning framework. This is supported by annual operational plans incorporating clear targets, and outcomes.

A clear programme of review and self–assessment throughout the period of the plan is scheduled which is based on feedback from all stakeholders.

There are high level procedures for monitoring, evaluating and reporting, developed from the highest standards of public sector management and industry approved processes and practices.

**How Will We Know We’ve Achieved It?**

- Clear and ambitious strategic plans in place, “owned” by the board and the sport, with agreed commitments to deliver on priorities and achieve targets and outcomes
- Supported by focused annual operational plans and budgets, as well as defined key performance indicators
- Regular updates and clear reports presented to board and communicated to members and partners
- Leadership within the board evidenced through achievement of targets and feedback from members at AGM and open forums

**Where can I find out more?**

General advice and sections on strategic and operational planning and the importance of stakeholder engagement, S&RA website: [www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

The Australian Sports Commission, Governance Principles for NGBs: [www.ausport.gov.au](http://www.ausport.gov.au)

### 4 Appropriate board composition

**Area: Well Led**

**What Does It Look Like?**

The board is the ultimate decision-making body and the SGB ensures that their constitutional documents and organisational processes comply with industry good practice on the composition of its board and recruitment processes for members.

The Board is well balanced, no one individual or group has unfettered powers of decision making or dominates the Board.

**How Will We Know We’ve Achieved It?**

- The board’s terms of reference reflect good practice, are documented and available to members and stakeholders
- The board is an appropriate size to be effective and support delivery of outcomes (recommended not more than 12 members)
- Diverse skills based board reflecting SGB membership
- A skills matrix is maintained so gaps can be identified and addressed
- Inclusion of independent Board members (recommended 25%)
- Election / recruitment is clear, open and transparent and allowed for in Articles

**Where can I find out more?**

The UK Corporate Governance Code: [www.frc.org.uk](http://www.frc.org.uk)

Sport England “Things to think about” tool: [www.sportengland.org](http://www.sportengland.org)

The S&RA website: The Alliance Voluntary Code of Good Governance: [www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

The Equality Standard via the Equality in Sport website: [www.equalityinsport.org](http://www.equalityinsport.org)

## 5

**Succession planning****Area: Well Led****What Does It Look Like?**

The board has clear timelines for terms of office and these are openly defined in the Memorandum and Articles.

Plans exist to ensure prospective board members and senior staff are appropriately trained and developed.

The retention of corporate memory is considered.

**How Will We Know We've Achieved It?**

- SGBs undertake succession planning pre and post key events and then on a routine basis thereafter
- A skills matrix is utilised to ensure gaps are identified and then filled
- Job descriptions for new posts are developed and advertised widely and openly
- Actively identify possible future board members / other leaders (volunteers & staff)
- Memorandum and Articles have specific reference to terms of office (recommended no more than 2 x 4 years)
- Terms of office for board members are staggered, particularly Chair and Vice Chair
- Handover notes and key role descriptions are kept up to date

**Where can I find out more?**

*Succession Planning guidance:*  
[www.conscious-governance.com](http://www.conscious-governance.com)

*CIPD website:*  
[www.cipd.co.uk](http://www.cipd.co.uk)

## 6

**Effective performance management systems****Area: Robust Organisations****What Does It Look Like?**

The SGB will have an adequate control framework, that is supported by an effective performance management systems. This will reflect the approach required to deliver the outcomes of the Strategic Plan.

**How Will We Know We've Achieved It?**

- Board induction and training will take place for all board members
- Board appraisals and evaluations will be carried out on a regular basis (at least once every 12 months). This can be through peer assessment
- Staff appraisals and evaluations will be carried out on a regular basis (at least every 6 months)
- The SGB will be open to assessment and feedback from partners and members

**Where can I find out more?**

*"Smart Sport" section of the S&RA website:*  
[www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

*Sport England "Things to think about" tool:*  
[www.sportengland.org](http://www.sportengland.org)

*Sport NZ Governance Evaluation System:*  
[www.sportnz.org.nz](http://www.sportnz.org.nz)

## 7 Clear roles and responsibilities

### *Area: Robust Organisations*

#### *What Does It Look Like?*

The SGBs will have clearly documented roles and responsibilities for both individual roles and functions of the board.

This will include job descriptions for all employees as well as those in senior leadership roles. This will also show levels of authority for senior managers and volunteers who have specific roles.

#### *How Will We Know We've Achieved It?*

- Recruitment and appointment of new members is matched against specific roles.
- A full suite of role profiles (staff and volunteers) are documented and available
- The promotion of equality and diversity will be clear throughout the organisation and the SGB actively works to attract a diverse range of candidates
- Decision-making processes are clearly documented, approved and communicated
- There is clear separation of duties between the Chair and CEO (where applicable)

#### *Where can I find out more?*

Sport England "Things to think about" tool:  
[www.sportengland.org](http://www.sportengland.org)

The Australian Sports Commission,  
People Management:  
[www.ausport.gov.au](http://www.ausport.gov.au)

SCVO advice for running a voluntary  
organisation or charity:  
[www.scvo.org.uk/running-your-organisation](http://www.scvo.org.uk/running-your-organisation)

## 8 Legally compliant

### *Area: Robust Organisations*

#### *What Does It Look Like?*

The SGB will meet all the appropriate legal requirements as set out in UK legislation. Their governing documents will be up to date, fit for purpose and appropriate.

The governance structure will provide appropriate protection for the organisation and its members.

#### *How Will We Know We've Achieved It?*

- Registration with Companies House / Charity Commission and regular submissions as required by law (appropriate to the legal entity of the SGB)
- Compliance with data protection regulations
- Compliance with health and safety regulations
- An appropriate human resource management framework
- Necessary insurance cover for the planned activities of the SGB
- In addition, SGBs must put in place effective policies and procedures to comply with safeguarding children, vulnerable adults and equality legislation; doping control; anti-corruption / sports betting and ensure they have in place a conflicts of interest register

#### *Where can I find out more?*

Refer to Companies House for general guidelines and a guide to director's duties: [www.gov.uk](http://www.gov.uk)

The Institute of Directors also has online resources about duties of directors: [www.iod.com](http://www.iod.com)

The Equality in Sport website:  
[www.equalityinsport.org/](http://www.equalityinsport.org/)

Safeguarding in sport: [www.children1st.org.uk](http://www.children1st.org.uk)

UK Anti-doping: [www.ukad.org.uk](http://www.ukad.org.uk)

Sport Accord: Preserving the integrity of sport:  
[www.sportaccord.com](http://www.sportaccord.com)

## 9

## Effective control environment

**Area: Robust Organisations****What Does It Look Like?**

SGBs will have robust governance, finance and control processes in place and demonstrate that they are fit to receive public funds.

In addition to organisational compliance and regulation, there will be rigorous reporting procedures and an appropriate risk management process in place.

**How Will We Know We've Achieved It?**

- The legal structure provides appropriate protection to its members (This normally means SGB is incorporated although other structures may be appropriate)
- Strong and effective operational and HR management processes will exist and be reported to Board in a timely fashion
- Business continuity plans will be in place
- There will be a risk management policy in place and a risk register will be updated on a regular basis and monitored by the board
- Robust financial management practices exist including evidence of appropriate reporting to Board

**Where can I find out more?**

Help for clubs legal structures guide:  
[www.sportscotland.org.uk](http://www.sportscotland.org.uk)

"Smart Sport" section of the S&RA website:  
[www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

Business Continuity Toolkit:  
[www.gov.uk](http://www.gov.uk)

ACAS for HR advice and guidance:  
[www.acas.org.uk](http://www.acas.org.uk)

Help for Clubs financial management:  
[www.sportscotland.org.uk](http://www.sportscotland.org.uk)

OSCR – Office of the Scottish Charity Regulator:  
[www.oscr.org.uk](http://www.oscr.org.uk) (for Charities)

## 10

## Appropriate operational structure

**Area: Robust Organisations****What Does It Look Like?**

There will be a structure that is effective and appropriate for the SGB.

It will assist the board and the staff with the efficient running of the business.

**How Will We Know We've Achieved It?**

- There is clarity on the operational structure
- There is an appropriate committee structure that supports effective working and decision making
- Key issues are escalated to the board for decision and it is clear where decision making lies for each area of the business (a scheme of delegation may be in place)
- A regular review of key issues and areas of interest to the board is undertaken
- The board and committees have clear terms of reference that are reviewed

**Where can I find out more?**

Sport England "Things to think about" tool:  
[www.sportengland.org](http://www.sportengland.org)

The UK Corporate Governance Code:  
[www.frc.org.uk](http://www.frc.org.uk)

The S&RA Voluntary Code of Good Governance:  
[www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

"Smart Sport" section of the S&RA website on delegation:  
[www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

## 11 Positive relations and partnerships

### Area: Strong Networks

#### What Does It Look Like?

SGBs will be clear that they need to work and build relationships with a range of partner organisations and key stakeholders across the wider sporting community.

They will also engage with their members, ensuring that communications are clear and effective, providing an opportunity for feedback.

The SGB will recognise areas of challenge and address these at an early stage seeking resolution through dialogue and if necessary established procedures.

#### How Will We Know We've Achieved It?

- The SGB has developed strong partnerships with its national, UK wide and international partners
- There is a good balance with local engagement
- The SGB knows who its members are and engages with them on a regular basis
- The SGB has an effective communication plan that uses a range of channels through a mix of technologies.
- A policy is in place for dealing with grievances and disputes
- Messages are clear and communicated consistently across the SGB's sporting landscape

#### Where can I find out more?

Sport NZ Stakeholder Communications Plan:  
[www.sportnz.org.nz](http://www.sportnz.org.nz)

Scottish Sport Association:  
[www.thessa.org.uk](http://www.thessa.org.uk)

S&RA website section on engagement with stakeholders:  
[www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

Sport Resolutions:  
[www.sportresolutions.co.uk](http://www.sportresolutions.co.uk)

## 12 Proactive GB and home country engagement

### Area: Strong Networks

#### What Does It Look Like?

SGBs are cognisant of the interaction of their strategy and plans with those of UK and other Home Country plans.

Best practice across functions for the management of membership, insurance, coaching and development of officials will be shared and promoted.

SGBs will be aware of UK and Scottish Government policy and its impact on SGB outcomes. SGBs will share key detail and likely impact of policy and regulation with its members.

#### How Will We Know We've Achieved It?

- SGBs will have regular contact and interaction with UK Sport and Home Country Sports Councils and other agencies where appropriate
- Sharing of best practice across the sport and across the wider sporting landscape will be commonplace
- The SGB organisational structure will align with UK and Home Country board and committee structures
- The SGB has appropriate representation at high level in their UK NGB
- There would be formal communication into and from meetings and forums to ensure consistency

#### Where can I find out more?

UK Sport: [www.uk sport.gov.uk](http://www.uk sport.gov.uk)

Sport England: [www.sportengland.org](http://www.sportengland.org)

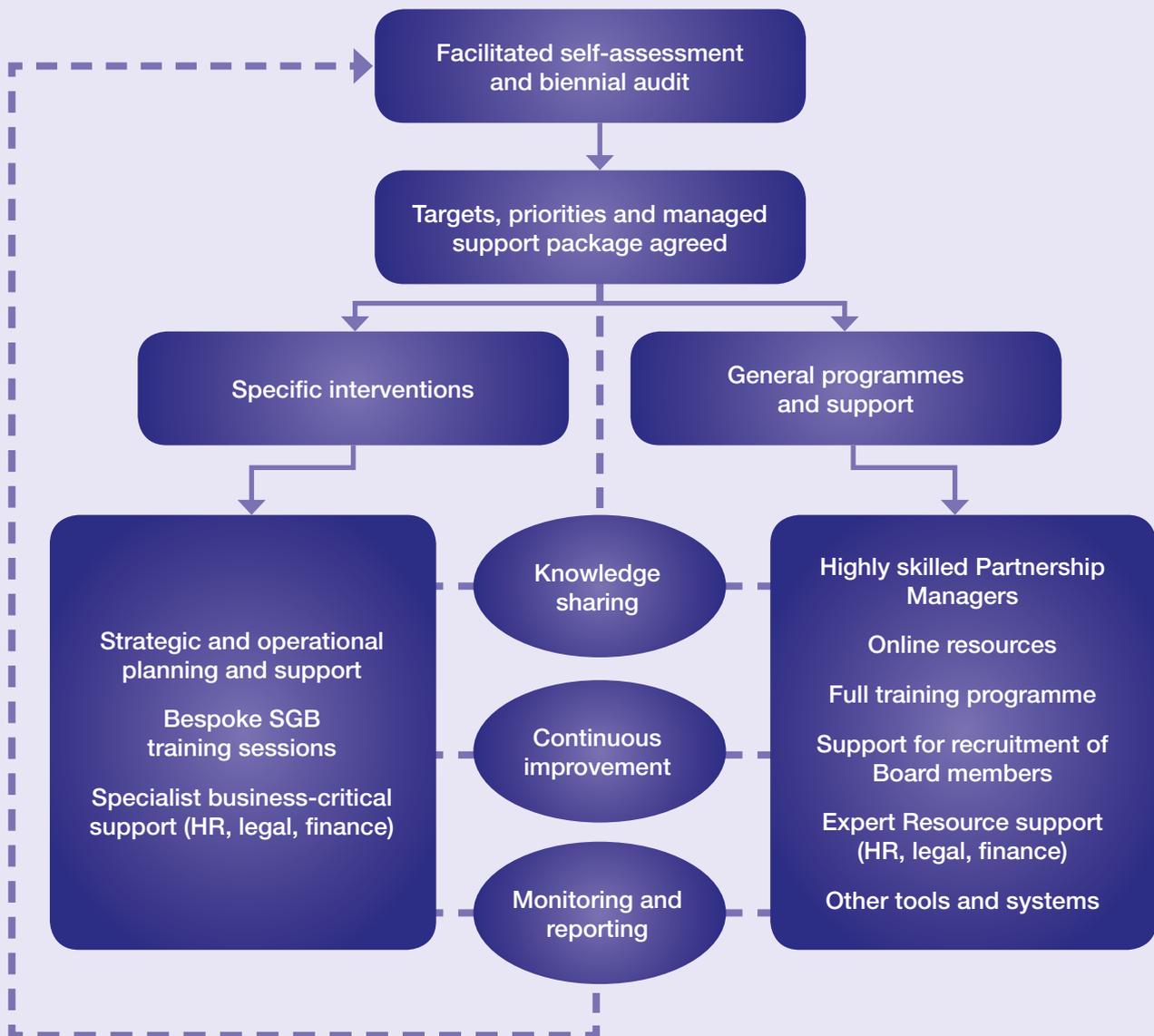
Sport Wales: [www.sportwales.org.uk](http://www.sportwales.org.uk)

Sport NI: [www.sportni.net](http://www.sportni.net)

Scottish Government Sports Policy Team:  
[www.scotland.gov.uk](http://www.scotland.gov.uk)

## Good governance in sport: Supporting our SGBs

The following diagram illustrates our approach to supporting our SGBs:



To develop a world class sporting system at all levels in Scotland will require all partners to aspire to be world class organisations. This includes their leadership, governance and management, constantly striving for continuous improvement. **sportscotland** will encourage and support SGBs on this journey.

For SGBs achieving good governance through implementing the framework is complimented by the **sportscotland** SGB Support Programme, which incorporates the Development Audit, Expert Resource, Learning & Development Programme, Strategic Support and Equality offers amongst others. For more information about the full SGB Support Programme go to [www.sportscotland.org.uk/sport-a-z/governing\\_bodies\\_of\\_sport/](http://www.sportscotland.org.uk/sport-a-z/governing_bodies_of_sport/)

## Appendix I

The Nolan Principles as amended by the Scottish Government are:

### Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or other friends.

### Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

### Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### Leadership

Holders of public office should promote and support these principles by leadership and example.

### Public Service

Holders of public office have a duty to act in the interests of the public body of which they are a Board member and to act in accordance with the core tasks of the body.

### Respect

Holders of public office must respect fellow members of their public body and employees of the body and the role they play, treating them with courtesy at all times.

See here for more information:

[www.scotland.gov.uk/  
Publications/2006/07/11153800/11](http://www.scotland.gov.uk/Publications/2006/07/11153800/11)

## Appendix II

### General References

*Birkbeck Sport Business Centre Research Paper, Volume 3, Number 1: September 2010: Good Governance in Sport: A Survey of UK National Governing Bodies of Sport: Dr Geoff Walters, Dr Linda Trenberth, Richard Tacon.*  
[www.sportbusinesscentre.com/wp-content/uploads/2012/08/NGBGovernanceReport2.pdf](http://www.sportbusinesscentre.com/wp-content/uploads/2012/08/NGBGovernanceReport2.pdf)

*Birkbeck Sport Business Centre Research Paper, Volume 4, Number 2: September 2011: The Role of the Board in National Governing Bodies of Sport: Dr Geoff Walters, Richard Tacon, Dr Linda Trenberth.*  
[www.sportbusinesscentre.com/wp-content/uploads/2012/08/NGB-Board-Report2.pdf](http://www.sportbusinesscentre.com/wp-content/uploads/2012/08/NGB-Board-Report2.pdf)

*Cadbury, A (2002) Report of the Committee on the Financial Aspects of Corporate Governance Companies House – legal information and advice relating to companies and directors Available online at:*  
[www.ecgi.org/codes/documents/cadbury.pdf](http://www.ecgi.org/codes/documents/cadbury.pdf)

*Chartered Institute of Public Finance and Accountancy (CIPFA) can provide a range of useful resources and guidance on governance:*  
[www.cipfa.org/policy-and-guidance](http://www.cipfa.org/policy-and-guidance)

*Hindley, David "An examination of the utility of the concept of governance in relation to the sports of swimming, football and cricket" 2002 PhD Thesis, Institute of Sport and Leisure Policy, Loughborough University.*  
<https://dspace.lboro.ac.uk/dspace-jspui/handle/2134/6805>

*Scottish Executive "On Board: A Guide for Board Members of Public Bodies in Scotland" incorporating "The Nolan Principles."*  
[www.scotland.gov.uk/Publications/2006/07/11153800/0](http://www.scotland.gov.uk/Publications/2006/07/11153800/0)

*Sport and Recreation Alliance "Voluntary Code of Good Governance for the Sport and Recreation Sector":*  
[www.sportandrecreation.org.uk/programmes-initiatives/boardroom/voluntary-code](http://www.sportandrecreation.org.uk/programmes-initiatives/boardroom/voluntary-code)

*Sport England "Governance Strategy":*  
[www.sportengland.org/our-work/governance/governance-strategy/](http://www.sportengland.org/our-work/governance/governance-strategy/)

*Sport England "Things to think about" tool:*  
[www.sportengland.org/our-work/governance/things-to-think-about-tool/](http://www.sportengland.org/our-work/governance/things-to-think-about-tool/)

*UK Sport "Road to Rio Investment Principles":*  
[www.ukssport.gov.uk/our-work/investing-in-sport/investment-principles](http://www.ukssport.gov.uk/our-work/investing-in-sport/investment-principles)

*International Sport and Culture Association Guidelines for Good Governance in Grassroots Sport:*  
[www.isca-web.org/files/GGGS\\_WEB/Files/Guidelines\\_for\\_Good\\_Governance\\_in\\_Grassroots\\_Sport.pdf](http://www.isca-web.org/files/GGGS_WEB/Files/Guidelines_for_Good_Governance_in_Grassroots_Sport.pdf)

*The European Commission's views on good governance:* [http://ec.europa.eu/sport/policy/organisation\\_of\\_sport/good\\_governance\\_en.htm](http://ec.europa.eu/sport/policy/organisation_of_sport/good_governance_en.htm)

*Companies House - Company registration and legal requirements of companies and directors:*  
[www.companieshouse.co.uk/](http://www.companieshouse.co.uk/)

*Institute of Directors:*  
[www.iod.com/home/business-information-and-advice/being-a-director/duties-and-responsibilities/default.aspx](http://www.iod.com/home/business-information-and-advice/being-a-director/duties-and-responsibilities/default.aspx)

*Sport and Recreation Alliance (S&RA):*  
[www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

*sportscotland Help for Clubs:*  
[www.sportscotland.org.uk/clubs/help-for-clubs/](http://www.sportscotland.org.uk/clubs/help-for-clubs/)

*Scottish Sports Association:*  
[www.thessa.org.uk/](http://www.thessa.org.uk/)

*International Framework: Good Governance in the Public Sector:*  
[www.cipfa.org/policy-and-guidance/standards/international-framework-good-governance-in-the-public-sector](http://www.cipfa.org/policy-and-guidance/standards/international-framework-good-governance-in-the-public-sector)

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