

## FOOTBALL FOUNDATION BOARD OF TRUSTEES – TERMS OF REFERENCE

### Introduction

1. The Football Foundation (FF) is the largest sports charity in the UK. It funds the development of new and refurbished grassroots sports facilities to improve the quality and experience of playing football/sport at the grassroots level, sustain and increase participation and improve general football skills levels.
2. The FF is funded by The Football Association (FA), the Premier League (PL) and the Government Department for Digital, Culture, Media and Sport (DCMS), known collectively as the Funding Partners (FP).
3. The role of the FF of Trustees (The Board) is to manage the business of the Charity. The Trustees shall ensure that the charity is: carrying out its purpose and objectives for the public benefit; compliant with charity laws; managing its resources responsibly; and acting with reasonable care and skill.
4. A Government provided pamphlet: *The Essential Trustee: What You Need Know: What You Need To Do*, outlines the duties of a charity trustee. This can be found on the Gov.UK website at: <https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3>. However, a quick guide to the main duties of a charity trustee can be found at Annex A.

### Board Membership

5. The Board is limited to a maximum of ten and a minimum of four Trustees. It currently comprises:
  - a. One trustee appointed by The FA.
  - b. One trustee appointed by DCMS.
  - c. One trustee appointed by Sport England (SE).
  - d. An independent non-executive Trustees (INET) recruited via open recruitment nationally.
  - e. A senior independent non-executive Trustee, again recruited via open recruitment nationally.

These appointments are limited to three terms of three years.

6. The following Trustees are also appointed to the Board in an ex-officio capacity; therefore, they are not subject to term limits:
  - a. CEO of The FA.
  - b. Executive Chair of the PL.
  - c. Chair of the Football Stadia Improvement Fund (FSIF).
7. The Board may co-opt up to two additional Trustees if it is deemed necessary to provide particular skills or experience.

### **Responsibilities**

8. The Board has responsibility for:
  - a. All fiduciary activities related to the FF.
  - b. The strategic direction of the FF and its performance.
  - c. All FF strategic policies.
  - d. Approval of all grant awards.
  - e. Approval of terms of reference for sub-committees and panels.
  - f. Approval of the FF annual report and accounts.
  - g. Management of risk, governance and internal control.

### **Meetings**

9. The Board meets formally at least four times each year.
10. In addition to the Trustees, Board meetings are attended by members of the Foundation Executive, including:
  - a. CEO;
  - b. COO;
  - c. Head of Finance;
  - d. Head of Grant Management;
  - e. Other members of the Executive Team, as required.
11. A *Board and Panel Secretary* provides secretariat support to the Board and its members.
12. It is important that Trustees should make a commitment to attend all meetings.

13. On occasion, decisions by the Board may need to be made between meetings via electronic correspondence.

### **Conflicts of Interest**

14. At the start of each meeting, Board members will be asked if they need to declare any conflicts of interest regarding the items on the meeting agenda. It is the responsibility of each Board member to respond honestly to this question and to recuse themselves from discussions related to any issue where they might have a conflict.
15. The Board must act independently and wholly in the interests of the Charity when making decisions with respect to how charitable funds are used. In this regard, FP representatives should recognise the risk of being seen as donating funds to a charity, gaining tax relief and then directing how these funds should be used. Whilst this is likely to be rare – as most funds are awarded to grassroots football clubs, local authorities and schools – it is important that FP representatives do not participate in decisions where their appointing organisation has a specific interest.
16. Trustees should follow the Foundation’s Conflict of Interest policy at all times.

### **Proceedings of the Board**

17. Three Trustees are required to be present to qualify as being quorate.
18. Decisions of the Board shall be taken and recorded in the minutes.
19. Where a consensus cannot be agreed, the Chair may request a vote on a show of hands, in which case each Trustee shall have one vote. In the event of a tie, the Chair will have a casting vote.
20. The Board may deal with matters requiring a decision outside of Board meetings by way of written resolution, which may be via email. In line with the Articles, a resolution in writing signed by a simple majority of all the Trustees entitled to vote upon the resolution shall be valid.

### **Board agendas and papers**

21. Board agenda and papers will be circulated to all Trustees and relevant members of the Foundation Executive not less than ten working days ahead of each meeting using the electronic tool *Diligent Boardbooks*. A printed set of Board packs will also be provided, as required.
22. All papers for Board should be treated as strictly confidential.

## **Annual peer review and skills audit**

23. The Board undertakes a confidential annual peer evaluation each year, managed by the Chair. The Chair is responsible for discussing any issues that may arise directly with individual trustees. The Senior INET is responsible for canvassing views from co-trustees regarding the performance of the Chair and discussing these directly with the Chair.
24. At the same time, a skills audit is conducted whereby Trustees score themselves against a skills matrix that identifies skills that are considered important to have across the Board as a whole.

## **Sub-committees and panels**

25. The Board delegates responsibilities to:
  - a. **Audit and Remuneration (A&R) Committee.** The A&R Committee is responsible for maintaining close scrutiny of the FF's financial management and performance, including the annual financial audit, which is carried out by independent auditors. The A&R Committee is also responsible for reviewing and recommending to the Board the FF's annual operating budget and also approving, on behalf of the Board, all aspects of Executive remuneration.
  - b. **Football Foundation Grants Panel (FFGP).** The FFGP comprises six independent members, including an Independent Chair, who are all recruited nationally via open recruitment. The FFGP also includes ex-officio representatives of the FPs and SE. The FFGP provides an independent view of all grant applications submitted to the FF, once they have been reviewed and assessed by the FF Executive. The FF board has delegated financial authority to the FFGP to make awards up to £500k. The FFGP must forward applications above £500k – together with any deemed unusual or contentious – to the Board for approval, along with a recommendation.

## **The Football Foundation**

May 2018

Annex:

- A. Main Duties of a Charity Trustee.

## **MAIN DUTIES OF A CHARITY TRUSTEE**

### **Ensure the charity is carrying out its purposes for the public benefit**

1. Trustees must make sure that the charity is carrying out the purposes for which it is set up, and no other purpose. This means they should:
  - a. ensure they understand the charity's purposes as set out in its governing document;
  - b. plan what the charity will do, and what they want it to achieve;
  - c. be able to explain how all of the charity's activities are intended to further or support its purposes;
  - d. understand how the charity benefits the public by carrying out its purposes.
2. Spending charity funds on the wrong purposes is a very serious matter and Trustees could be liable to reimburse the charity personally.

### **Comply with the charity's governing document and the law**

3. Trustees must:
  - a. make sure that the charity complies with its governing document;
  - b. comply with charity law requirements and other laws that apply to the charity.
4. Trustees should take reasonable steps to find out about legal requirements, for example by reading relevant guidance or taking appropriate advice when needed.
5. Registered charities must keep their details on the register up to date and ensure they send the right financial and other information to the commission in their annual return or annual update.

### **Act in the charity's best interests**

6. Trustees must:
  - a. do what you – and your co-Trustees – think will best enable the charity to carry out its purposes;
  - b. with co-Trustees, make balanced and adequately informed decisions, thinking about the long-term as well as the short-term;
  - c. avoid putting themselves in a position where their duty to the charity conflicts with their personal interests or loyalty to any other person or body; and
  - d. not receive any benefit from the charity unless it is properly authorised and is clearly in the charity's interests; this also includes anyone who is financially connected to them, such as a partner, dependent child or business partner.

### **Manage the charity's resources responsibly**

7. Trustees must act responsibly, reasonably and honestly. This is sometimes called the duty of prudence. Prudence is about exercising sound judgement. Trustees must:
  - a. make sure the charity's assets are only used to support or carry out its purposes;
  - b. not take inappropriate risks with the charity's assets or reputation;
  - c. not over-commit the charity;
  - d. take special care when investing or borrowing; and
  - e. comply with any restrictions on spending funds.
8. Trustees should put appropriate procedures and safeguards in place and take reasonable steps to ensure that these are followed. Otherwise they risk making the charity vulnerable to fraud or theft, or other kinds of abuse, and being in breach of their duty.

### **Act with reasonable care and skill**

9. As someone responsible for governing a charity, trustees must:
  - a. use reasonable care and skill, making use of their skills and experience and taking appropriate advice when necessary; and
  - b. give enough time, thought and energy to their role, for example by preparing for, attending and actively participating in all Trustees' meetings.

### **Ensure the charity is accountable**

10. Trustees must comply with statutory accounting and reporting requirements. They should also:
  - a. be able to demonstrate that their charity is complying with the law, and is well run and effective;
  - b. ensure appropriate accountability to members, if the charity has a membership separate from the trustees;
  - c. ensure accountability within the charity, particularly where responsibility is delegated for tasks or decisions to staff or volunteers.

### **Making decisions as a trustee**

11. Charity Trustees make decisions about their charity together, working as a team. Decisions do not usually need to be unanimous, if most Trustees agree. Decisions are usually made at charity meetings.

12. When Trustees make decisions about the charity, Trustees must:
  - a. act within their powers;
  - b. act in good faith, and only in the interests of the charity;
  - c. make sure they are sufficiently informed, taking any advice as required;
  - d. take account of all relevant factors they are aware of;
  - e. ignore any irrelevant factors;
  - f. deal with conflicts of interest and loyalty;
  - g. make decisions that are within the range of decisions that a reasonable Trustee body could make in the circumstances.
  
13. Trustees should record how they made more significant decisions in case they need to review or explain them in the future.

#### **Chair and Treasurer Trustee roles**

14. Some Trustees have special roles, such as the Chair and the Treasurer. They are known as officers. They must comply with any specific provisions in the governing document about officers. Officers do not automatically have any extra powers or legal duties than the other Trustees, but may carry out specific roles or have specific responsibilities delegated to them. Don't forget – all Trustees remain jointly responsible for the charity. For example, all trustees share responsibility for finances (not just the treasurer or the A&R Committee).

#### **When Trustees can be personally liable**

15. It's extremely rare, but not impossible, for charity trustees to be held personally liable:
  - a. to their charity, if they cause a financial loss by acting improperly;
  - b. to a third party that has a legal claim against the charity, which the charity cannot meet.
  
16. Understanding potential liabilities will help to protect Trustees and their charity by acting to reduce risk. This includes complying with their duties. It also includes deciding whether the charity should become incorporated (for example as a company or CIO).

**Extract from Gov.UK: <https://www.gov.uk/guidance/charity-trustee-whats-involved>**