**Active Black Country Limited**

**a company limited by guarantee and without a share capital**

**Company Number 14537800**

**Board Terms of Reference**

1. **Remit and Purpose**

* 1. All individuals appointed onto the ABC Ltd Board of Directors are simultaneously:
     1. the Directors of the Company under company law and registration with Companies House;
     2. the Trustees under charitable law and regulation by the Charity Commission for England & Wales.
  2. The Independent Directors are the voting Members of the Company, with reserved powers:
     1. to approve any amendments to ABC Ltd’s Articles of Association; and to
     2. determine the appropriate application or transfer of the Charity’s net assets in the event of the dissolution of the Charity;

subject to any required approvals from the Charity Commission for England and Wales.

* 1. As set out in Article 31.1 of the Articles of Association of Active Black Country Limited (ABC Ltd, or the Company, or the Charity) dated [date], the Board of Directors:
     1. is to manage the business of the Charity; and
     2. may exercise all the powers of the Charity, unless the Directors are subject to any restrictions imposed by the Companies Acts, the Articles, or any Special Resolution passed by the Members of the Company.
  2. As set out in Article 11.1.1 of the Articles of Association of ABC Ltd, the Independent Directors are the only voting Members of the Company.
  3. As mandated by Requirement 1.1 of the 2021 Code for Sports Governance, the ABC Ltd Board of Directors is to:
     1. be the ultimate decision-making body and accordingly exercise all of the powers of the Company;
     2. be responsible for setting the strategy of the Company; and is to
     3. maintain and demonstrate a clear division between the Board’s management and oversight role and the executive staff’s operational role.

* 1. In carrying out their remit, the ABC Ltd Directors, in their capacities as the Trustees of the Charity, will take account of their legal duties and of guidance from the Charity Commission for England and Wales, as the regulatory body for registered charities, to:
     1. ensure all appointed Directors are eligible to be charity trustees;
     2. ensure the Charity is carrying out its purposes for the public benefit;
     3. comply with the Charity’s Articles of Association, as its governing document, and the law;
     4. act in the Charity’s best interests;
     5. manage the Charity’s resources responsibly;
     6. act with reasonable care and skill; and to
     7. ensure the Charity is accountable.
  2. In carrying out their remit, the ABC Directors, in their capacities as the legal Directors of the Company, will take account of their general legal duties under the 2006 Companies Act to:
     1. act within the powers conferred by the Company’s Articles of Association;
     2. promote the success of the Company;
     3. exercise independent judgement;
     4. exercise reasonable care, skill, and diligence;
     5. avoid conflicts of interest;
     6. decline benefits from third parties; and to
     7. declare interest in any proposed transaction or arrangement.
  3. In any instance where there is deemed to be a conflict between the ABC Ltd Articles of Association and these Terms of Reference, the Articles will take precedence.

1. **Scope and Functions**
   1. The principal scope and functions of the ABC Ltd Board of Directors are to:
      1. drive the strategy and direction of Active Black Country Limited, establishing a clear vision and strategic direction in conformity with the Charity’s Objects;
      2. provide the strategic leadership and direction for the facilitation of sport and physical activity across the local authority areas of the Metropolitan Boroughs of Dudley, Sandwell, and Walsall, and the City of Wolverhampton (the Black Country) and surroundings;
      3. advocate the role sport and physical activity can play in meeting socio-economic and health outcomes;
      4. actively promote and further the work of ABC Ltd through building partnerships in the local communities;
      5. enable co-operation and collaboration for sport and physical activity across ABC Ltd’s stakeholders;
      6. monitor and evaluate the Charity’s performance against its strategic objectives; and
      7. ensure delivery and accountability for ABC Ltd’s funded programmes.
2. **Responsibilities**
   1. The Board of Directors has strategic and oversight responsibility for the whole Charity.
   2. The Board is to set the Charity’s:
      1. vision;
      2. mission;
      3. strategy; and
      4. risk tolerance.
   3. The Board is to review and approve the Charity's:
      1. strategic plans;
      2. long term finances;
      3. policies;
      4. operational business plans;
      5. stakeholder engagement plan;
      6. risk management procedures;
      7. annual budgets; and
      8. Annual Report & Financial Statements.
   4. The Board is to ensure that the Charity maintains compliance with:
      1. the legal requirements of the Companies Acts, the Charities Acts and the regulatory requirements of the Charity Commission for England and Wales;
      2. the 2021 UK Code for Sports Governance;
      3. the conditions set out in Funding Agreements, as accepted and signed off by the Board;
      4. all agreed policies of the Charity; and
      5. the monitoring, auditing, and review processes of the Charity’s independent auditors and, where required, of the Charity’s funders.
   5. The Board is to monitor:
      1. progress against Key Performance Indicators set out in the Charity’s strategic and operational business plans;
      2. the adequacy of the resources, both human and financial, that are in place to effect the delivery of the plans;
      3. the achievement of value for money on all programmes undertaken by the Charity; and
      4. actions to safeguard the assets of the Charity, including its brand, reputation, and other associated intellectual property.
   6. Directors are required to sign up, and adhere, to the ABC Ltd Board Code of Conduct, which includes the Nolan Committee’s ‘Seven Principles of Public Life’.
3. **Board Composition**
   1. The ABC Ltd Board is composed of a minumum of 6 Directors, and a maximum of 12 Directors, as follows:

* + 1. the Independent Chair;
    2. the Senior Independent Director (SID);
    3. up to 9 other Independent Directors; and
    4. 1 Nominated Director (the Head of Service of the Black Country Integrated Care Partnership, or their alternative nominee as agreed with, and appointed by, the ABC Ltd Board).
  1. The Board may appoint one of the Independent Directors, with appropriate skills and experience, to hold the position of Vice Chair.
     1. If the Vice Chair position is held by the SID then, in the event that the Vice Chair is deputising as the chair of the Board during a prolonged absence of the Chair, the Board is to appoint a temporary Senior Independent Director.

* 1. As permitted under Article [number] of the ABC Ltd Articles of Association, up to 2 individuals may be co-opted as Independent Directors for termporary periods of up to 1 year, by the Board acting outside of the usual openly-advertised recruitment process, in order to:
     1. fill casual vacancies among the Independent Directors; or to
     2. bring specific skills and expertise to the Board that are needed urgently;

provided that such co-options do not cause the Board to exceed its maximum number of 12 Directors.

* 1. Co-opted Independent Directors have the same membership, voting rights, and fiduciary duties as the other Directors.
     1. At the end of their term, they may be invited to apply, subject to the availability of a vacancy and to Board approval, for a full Independent Director term of office.
  2. The Board is to appoint, from amongst their number, Directors with appropriate expertise to take on the roles of:
     1. Board Equality & Diversity Champion
     2. Board Safeguarding & Welfare Champion
  3. All Director positions are non-executive and not salaried.

1. **Board Recruitment & Tenure**
   1. Recruitment of Directors is to be overseen by the ABC Ltd Nominations & Governance Committee, which shall recommend individuals for appointment by the Board using a process that:
      1. adheres to the Charity’s recruitment & selection, and equality & diversity, policies;
      2. takes account of the knowledge, skills, and experience needed for the Board of Directors to carry out its responsibilities effectively; and
      3. encourages applicants who reflect the diversity, inclusion, and demographics of the Black Country and preferably work or live in the Black Country.
   2. All appointments and re-appointments of Directors shall be made in compliance with agreed stipulations regarding terms of office as set out in Article [number] of the ABC Ltd Articles of Association as follows:
      1. directors will normally be appointed for an initial 3-year term of office;
      2. at the expiry of the initial term of office, any Director shall be eligible for re-appointment, subject to approval by the Board, for up to 2 further terms of up to 3 years; and
      3. on completion of 3 successive terms of office, a Director must stand down for at least 4 years before becoming eligible to be considered for any further term of office.
2. **Proceedings**
   1. The Board is to meet a minimum of 4 times per year, at the call of the Chair or, in their absence, of the Vice Chair.
   2. In-person Board meetings and events are to be held throughout the Black Country region.
   3. Where in-person meetings of the Board cannot take place for whatever reason, Board meetings may be conducted through video conference calls.
   4. Directors will be expected to make every effort to attend all Board meetings.
   5. Board meeting agendas are to be agreed between the Chair and the CEO, making clear the purpose of each item (for discussion; for decision; or for information), and circulated with appropriate supporting papers usually 5 days ahead of each meeting.
   6. The Chair usually presides at ABC Ltd Board meetings.
      1. In the event that the Chair is absent for any reason, the Vice Chair is to chair the Board’s meeting.
      2. In the event that both the Chair and the Vice Chair are absent, the Directors present are to choose one of their number to chair the Board’s meeting.
   7. The quorum for the ABC Ltd Board stipulates at least 4 Independent Directors of the Board must be present in order for business to be transacted, as set out in Article [number] of the ABC Ltd Articles of Association.
   8. The Chief Executive Officer (CEO) of ABC Ltd is to be invited to attend all Board meetings, except for any business items where the Board deems that the CEO has a conflict of interest or that the item is confidential to the Directors alone.
      1. In the event that the CEO is absent for any reason, they may request another member of the executive Senior Leadership Team to attend a Board meeting in their place.
   9. The ABC Ltd Board may invite, through the Chair, advisors who are recognised and valued as providing high quality, non-biased, advice to the Board and to ABC Ltd to attend Board meetings. Such advisors do not operate as Independent Directors and therefore hold no ABC Ltd voting rights.
   10. In conducting its business, the Board of Directors shall seek to:
       1. take balanced and objective decisions in the overall interests of the Charity;
       2. make clear what matters the Board reserves for itself and what authority it has delegated to staff and/or Committees;
       3. include on the Board meeting agenda reports from all Board Committees and all matters reserved for Board consideration;
       4. ensure that all matters discussed and agreed by the Board are properly minuted and recorded (including, where necessary, in a confidential annex);
       5. ensure that the Board is consulted about and receives adequate information in a timely fashion about any matter which would have a material effect on ABC Ltd; and
       6. ensure, in the interests of transparency, that appropriate information about ABC Ltd, its strategies, finances, policies and activities is made available to partners and stakeholders via the website and/or other publication methods.
   11. Decision taking is to be usually by consensus. If a vote becomes necessary, such vote is to be by show of hands, with the chair of the Board meeting having a casting vote in the event of a tie.
   12. Minutes will normally be drafted by the CEO, reviewed by the chair of the relevant meeting, and circulated within ten working days following a Board meeting, to allow for identified actions to be appropriately implemented.
   13. All ABC Ltd Directors are to be entitled to claim travel and accommodation expenses for reimbursement in accordance with the Charity’s Travel & Expenses Policies.
3. **Management of Conflicts of Interest**
   1. In meeting obligations under Articles [numbers] of the Charity's Articles of Association, regarding the management of conflicts of interest and loyalty as part of Board business, the Board shall adhere to the following procedures:
      1. Declarations of Interests of individual Directors are to be kept in a Register by the ABC Ltd Chief Executive Officer;
      2. each Director is required to review and, where necessary, update his/her Declaration of Interests at least once each year and whenever there is a material change to those interests;
      3. the Board is to review the Register of Interests at least once each year for mutual information and understanding;
      4. Board discussions on the management of any conflict of interest are usually to be led by the Chair; and
      5. where the conflict under discussion relates to the Chair or a connected person, the Board discussions are usually to be led by the Senior Independent Director.
4. **Committees, Forums, and Groups**
   1. As mandated by Article [number] of the ABC Ltd Articles of Association and by Requirement 1.15 of the 2021 Code for Sports Governance, the Board of Directors is to set the Terms of Reference and approve the Membership of the following Board Committees:
      1. the ABC Ltd Audit, Risk, & Compliance Committee; and
      2. the ABC Ltd Nominations & Governance Committee.
   2. The Board of Directors is also to set the Terms of Reference and approve the Membership of the ABC Ltd Strategic Investment Committee as a Board Committee.

* 1. In order to facilitate the conduct of the Charity’s business, the ABC Ltd Board may also, as and when necessary, establish, set Terms of Reference for, and approve the Membership of:
     1. operational committees (with relevant delegated authority);
     2. consultative forums; and/or
     3. advisory groups.

1. **Board Effectiveness Evaluation**
   1. The Board of Directors, led by the Chair (or, with regard to the Chair, by the Senior Independent Director) and with the support of the Nominations & Governance Committee, shall evaluate the effectiveness of the Board's conduct of business each year.
   2. Such evaluation is to take into account:
      1. both the individual and collective effectiveness of the Board of Directors;
      2. the current matrix of the knowledge, skills, and experience requirements for the ABC Ltd Board;
      3. adherence to the Board Code of Conduct;
      4. follow-up from the action plan generated by the previous year's annual evaluation; and
      5. Requirement 4.3 of the 2021 Code for Sport Governance to involve external facilitators in the evaluation process at least once every four years.

**END**

**These Terms of Reference were approved by the ABC Ltd Board on [date]**