

SPORT ENGLAND MANAGEMENT AGREEMENT 2016-2020

Part A: Sport England Priorities, Funding and Engagement

Last updated: 30 July 2018

1. Purpose

1.1. Sport England (the English Sports Council) was established by Royal Charter in 1996 and receives Grant in Aid from DCMS by virtue of the Physical Training and Recreation Act 1937. Sport England is the Home Country Sports Council for England with responsibility for investing in, promoting and increasing participation in sport and physical activity among the public. Its Royal Charter sets out its overall object of:

Fostering, supporting and encouraging the development of sport and physical recreation and achievement of excellence therein among the public at large in England and the provision of facilities therefor.

2. Secretary of State's Priorities

2.1 The Secretary of State's priorities for Sport England are that:

- Sport England takes forward and implements in full the recommendations and actions contained in the Government's sport strategy *Sporting Future: A New Strategy for an Active Nation*¹ which pertain to Sport England's remit.
- It delivers in full the commitments that it sets out in its strategy *Towards an Active Nation*², which details how Sport England will deliver on the priorities and new direction put forward by the Government's *Sporting Future* strategy.
- It reports on its performance in implementing *Towards an Active Nation*,

¹ <https://www.gov.uk/government/publications/sporting-future-a-new-strategy-for-an-active-nation>

² <https://www.sportengland.org/news-and-features/news/2016/may/19/sport-england-triples-investment-in-tackling-inactivity/>

and the relevant sections of *Sporting Future*, by using and adopting the set of performance measures set out below at Section 4.

2.2 The priorities for Sport England align with and should help to support the following top-level objectives that are set out in the DCMS Single Departmental Plan (SDP):

- Growing the economy
- Encouraging participation
- Sustaining excellence and promoting Britain

2.3 Specifically, Sport England's priorities will help to support and inform the following detailed priorities listed in the DCMS SDP:

- Improve the quality of community sports facilities
- Working with local authorities, the FA and the Premier League to fund investment in artificial football pitches in more than 30 cities across England
- Continue to invest in participation and physical activity, recognising sport's vital benefits to health and to NHS England's campaign to prevent diabetes
- Increase participation in sport by women and girls
- Increase the proportion of women on national sports governing bodies to at least 25% by 2017

3. Financial Allocation

3.1 Sport England's financial settlement for 2016-20 is as set out in its Spending Review Settlement letter dated 3 March 2016 and any further allocation letters.

4. Performance Measures

4.1 Sport England should conduct its business pursuant to implementation of the Government's *Sporting Future* strategy and its own strategy *Towards an Active Nation*. The performance of Sport England for the Financial Year 2016/17 - and for each of the financial years covered by this Management Agreement - will be measured against its progress in implementing both strategies.

4.2 In particular, Sport England's performance in implementing the relevant sections of *Sporting Future* strategy will be measured by referring to the five outcomes and 25 Key Performance Indicators (KPIs) the strategy contains. DCMS

requires Sport England to both **provide a proportion of the data needed to measure the outcomes and KPIs**, but also to **take forward programmes, projects and investment which contributes to the delivery of the outcomes and KPIs** themselves. Details of this are set out in Tables 1 and 2 below.

4.3 DCMS requires Sport England to provide the data to measure the outcomes and KPIs from *Sporting Future* set out in Table 1 below.

Sport England <u>provision of data</u> against <i>Sporting Future</i> outcomes and KPIs³	
<i>Sporting Future</i> outcome or KPI	Source data (where already agreed) and/or notes
Outcome – Physical Wellbeing: a) Percentage of the population in England meeting the CMO’s guidelines for physical activity b) Percentage of the population in England that are physically inactive	Active Lives and Active Lives (Children) surveys ⁴
Outcome – Mental Wellbeing: Levels of subjective wellbeing	Active Lives and Active Lives (Children) surveys
Outcome – Individual Development: Levels of perceived self-efficacy	Active Lives and Active Lives (Children) surveys
Outcome – Social and Community Development: Levels of social trust	Active Lives and Active Lives (Children) surveys
KPI 1 a) Percentage of the adult population undertaking at least 150 minutes of moderate physical activity a week b) Percentage of children (5-15) who are active	a) Active Lives survey b) Active Lives (Children) survey

³ Since the publication of *Sporting Future* in December 2015, small changes have been made to the ordering and definitions of the KPIs. For further information on this, please refer to the ‘Notes’ section of the *Sporting Future* First Annual Report: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590578/Sporting_Future_-_first_annual_report_final.pdf.

⁴ Active Lives (Children) survey was launched and commenced fieldwork in September 2017. First available data from the survey is expected in early 2019.

(metric tbc)	
KPI 2 a) Percentage of adults undertaking less than 30 minutes of moderate physical activity a week b) Percentage of children (5-15) who are physically inactive (metric tbc)	a) Active Lives survey b) Active Lives (Children) survey
KPI 3 a) Percentage of the adult population taking part in sport and physical activity at least twice in the last month b) Percentage of children (5-15) taking part in sport and physical activity at least twice in the last month	a) Active Lives survey b) Active Lives (Children) survey
KPI 5 – Percentage of children (5-15) achieving physical literacy standards	Active Lives (Children) survey
KPI 6 – Percentage of children achieving swimming proficiency	Active Lives (Children) survey
KPI 8 – Percentage of children (5-15 ⁵) with a positive attitude towards sport and being active	Active Lives (Children) survey
KPI 9 a) Number of adults volunteering in sport at least twice in the last year b) Number of children (9-15 ⁶) volunteering in sport at least twice in the last year	a) Active Lives survey b) Active Lives (Children) survey
KPI 10 a) Demographics of adult volunteers in sport to become more representative of society as a whole b) Demographics of child (9-15) volunteers in sport to become more representative of society as a whole	a) Active Lives survey b) Active Lives (Children) survey
KPI 11 a) Percentage of adults who have attended a live	a) Active Lives survey b) Active Lives (Children) survey

⁵ Original age range for KPI 8 (previously KPI 6) as set out in *Sporting Future* has been amended and brought into line with Active Lives (Children) survey.

⁶ Testing and refinement of Active Lives (Children) survey in summer 2017 development phase led to final age ranges of 9-15 years being adopted for KPIs 9, 10 and 11.

sporting event more than once in the past year b) Percentage of children (9-15) who have attended a live sporting event more than once in the last year	
KPI 20 - Percentage of facilities which are not open to the public ⁷	Active Places survey
KPI 21 a) Levels of public funding in sporting bodies b) Levels of non-public investment into sporting bodies	Annual accounts and financial returns submitted to UK Sport and Sport England
KPI 22 – Number of publicly-funded bodies that meet the Code for Sports Governance	Collated annually by Sport England and UK Sport
KPI 24 – Headline results of the new Sport Workforce People Survey (Sport England benchmarking)	Sport England’s new Sport Workforce People Survey

Table 1

4.4 Beyond providing data required to measure progress against the outcomes and KPIs, it is also expected that the programmes, projects and investment that Sport England takes forward will contribute directly to delivery of a number of the outcomes and KPIs within *Sporting Future*.

4.5 In terms of contributing to the delivery of the outcomes in *Sporting Future*, Sport England will ensure that every project it invests in or creates will be designed around some or all of the 4 outcomes identified above, and that projects will identify any relevant impacts in terms of Economic Development, the fifth outcome in *Sporting Future*. Sport England will do this by ensuring that projects have:

- A target audience - projects must have identified the right people to target i.e. people who exhibit low levels of some or all of the outcomes in their lives.
- Designed the relevant outcomes into the project - a clear rationale for how the project/intervention will deliver against some or all of the outcomes for those target audiences. It will not be sufficient for organisations to plan to deliver activity whilst expecting outcomes to occur as a by-product.
- Planned for the long-term - a plan for how projects will deliver long-term

⁷ Since the publication of *Sporting Future* KPI 20 (previously KPI 18) has been reframed to measure the percentage of (a) education and (b) non-education facilities which are not open to the public. The ambition remains to develop a more sophisticated measure of ‘under-utilised’ sporting facilities - as referred to in the original KPI definition - over the longer term.

changes in behaviour not just short term effects (to ensure that there is enough time for the outcomes to be realised).

4.6 Table 2 below sets out the contribution of Sport England to the delivery of each of the 25 KPIs in *Sporting Future*.

Sport England <u>contribution to delivery</u> against <i>Sporting Future</i> Key Performance Indicators	
<i>Sporting Future</i> KPI	Rationale – including responsibility for related <i>Sporting Future</i> actions
KPI 1 – Percentage of the population meeting physical activity guidelines	<p>Delivery against these KPIs is a priority for Sport England as set out in <i>Towards an Active Nation</i>. <i>Sporting Future</i> acknowledges in various actions that there is also a significant contribution to delivery of the KPIs from Government, local government and Public Health England, which sits outside Sport England’s direct influence (e.g. ensuring implementation of <i>Everybody Active, Every Day</i> report recommendations; work with employers).</p> <p>There are also a number of factors beyond the control of Sport England, for example dynamics in the employment market, that influence the achievement of these KPIs.</p> <p>As directed in <i>Sporting Future</i>, Sport England has established evidence-based targets for the step changes in participation levels that it expects to achieve by 2020, and will work to establish targets for 2025. The estimated size and scale of its contribution to the delivery of KPIs 1 and 2 specifically is informed by the target-setting work.</p>
KPI 2 – Percentage of people physically inactive	
KPI 3 – Percentage of the population taking part in sport and physical activity at least twice in the last month	
KPI 4 – Percentage of adults utilising outdoor space for exercise/health reasons	<p><i>Sporting Future</i> acknowledges the shared policy ownership across government for this area. Sport England has an important role to play, but is not solely responsible. Data from Active Lives on the setting in which sport and physical activity is taking place will complement data provided through Natural England’s Monitor of Engagement with the Natural Environment (MENE) survey. Sport England will work with Natural England to use the distinctive approach and data from the Active Lives and the MENE surveys to provide the richest possible picture of engagement in sport and physical activity in the natural environment.</p>
KPI 5 – Percentage of children achieving physical literacy standards	<p>Actions in <i>Sporting Future</i> primarily for government. New 5+ remit for Sport England is a key feature of <i>Towards an Active Nation</i>, but clear demarcation of responsibility outside school with school setting currently a major part of physical literacy delivery. Confidence and attitudes in young</p>

	people (KPI 8) is a stronger fit with agreed Sport England strategy focus.
KPI 6 – Percentage of children achieving swimming proficiency	Actions in <i>Sporting Future</i> are the responsibility of central government with Sport England making only a minor contribution through, for example, the swimming working group. Variety of partners with a major stakeholding.
KPI 7 – Percentage of children achieving Bikeability levels 1-3	Actions in <i>Sporting Future</i> are the responsibility of central government with Sport England making only a minor contribution. Variety of partners with a major stakeholding.
KPI 8 – Percentage of young people (5-15) with a positive attitude towards sport and being active	Sport England's Children and Young People investment programme in <i>Towards an Active Nation</i> aligned strongly to this KPI, but significant actions for other government departments identified in <i>Sporting Future</i> .
KPI 9 – Percentage of people volunteering in sport at least twice in the last year	Majority of <i>Sporting Future</i> actions are for Sport England to lead, reflected in the weight given to volunteering objectives within <i>Towards an Active Nation</i> .
KPI 10 – The demographics of volunteers in sport to become more representative of society as a whole	Majority of <i>Sporting Future</i> actions are for Sport England to lead, reflected in the weight given to volunteering objectives within <i>Towards an Active Nation</i> .
KPI 11 – Percentage of people who have attended a live sporting event more than once in the past year	All <i>Sporting Future</i> actions in relation to this KPI are for government and other sector partners. No direct role identified or expected for Sport England beyond providing data for measurement. The KPI may be impacted by Sport England work to support the commercial development of the sport sector, however, there is currently no formal intention or capability to demonstrate a direct correlation with progress against the KPI.
KPI 12 – Number of Olympic and Paralympic medals won at Summer and Winter Games	There is an expectation that Sport England's work and investment on talent is a contributory factor in subsequent elite success. This is particularly significant given the planned lifetime of <i>Sporting Future</i> in covering more than one Olympic cycle.
KPI 13 – Position in Olympic and Paralympic Summer and Winter medal tables	
KPI 14 – UK/Home Nation performance in pinnacle World, European or Commonwealth competitions	
KPI 15 – Attendance levels at national-level domestic sport	
	This is not a priority for Sport England, however there is likely to be some impact from the review of Sport England's commercial framework (using increased attendance/fan engagement as part of driving greater financial sustainability in the core market sector).

KPI 16 – Attendance at events supported through government and UK Sport major events programme	This is not a priority for Sport England but there is recognition of the role that Sport England's major events engagement fund will play in delivering effective events (flagged in <i>Sporting Future</i> and <i>Towards an Active Nation</i>).
KPI 17 – Economic impact of events supported through government and UK Sport major events programmes	
KPI 18 – Employment in the sport sector	Sport England has a significant role in setting out a new professional workforce strategy for the sector. Its focus and measurement of success of its work will not be through the numbers of registered professions (supply), but rather through a focus on the customer (the employees) and the skills, values and behaviours the sport workforce requires to provide a high quality customer experience in sport and physical activity. This work will also be reflected in the major stakeholding in KPI 24 below.
KPI 19 – Position of the UK in the Nation Brands Index, both (a) overall and (b) in answer to the specific question about the UK excelling at sport	Opportunity to reflect on the international influence Sport England is having through groundbreaking insight, campaigning (This Girl Can), governance and other aspects of delivery.
KPI 20 - Percentage of facilities which are not open to the public	Majority of actions in <i>Sporting Future</i> linked to achieving this are for Sport England and this is a mid-level priority for the organisation. However, partnership across government (nationally and locally) is recognised as crucial to supporting the ambition of widening access to community sport facilities.
KPI 21 – Levels of public funding and non-public investment into organisations that are in receipt of public investment	Represents a core part of Sport England's drive for greater financial sustainability within the sector. However, Sport England is not the only public body investing in the sector and a number of <i>Sporting Future</i> actions are for government to lead centrally with other partners in the sector.
KPI 22 – Number of publicly-funded bodies that meet the Code for Sports Governance ⁸ .	Core responsibility for Sport England jointly with UK Sport.
KPI 23 – Number of sports that meet the SRA's Voluntary Code to reinvest 30% of their net television broadcasting revenues in grassroots sport	Relevant <i>Sporting Future</i> action(s) explicitly for government and Sport and Recreation Alliance (SRA) to undertake.
KPI 24 – Headline results of the new Sport Workforce People Survey	The outcomes of the survey are TBC, but the results will help Sport England to understand and shape interventions that directly impact on the

⁸ https://www.sportengland.org/media/11193/a_code_for_sports_governance.pdf

	<p>quality of the workforce experience (i.e. employees who are motivated and flourishing in a sector that gives the best possible experience for its customers).</p> <p>Notes on KPI 18 also relate.</p>
KPI 25 – Percentage of UK Sport-funded athletes who feel cared about as a person in their World Class Programmes	UK sport-led.

Table 2

4.7 Sport England will also be measured against, and report progress on, its implementation of any recommendations that are outstanding from the 2015 Triennial Review of Sport England and UK Sport⁹.

KPIs and actions from *Sporting Future* that are jointly-owned between Sport England and UK Sport

4.8 There are actions and KPIs from the Government’s *Sporting Future* strategy that are jointly owned by Sport England and UK Sport, set out below for clarity.

Joint UK Sport-Sport England KPIs from *Sporting Future*

KPI	KPI description	Source data
21	Increase in the amount of non-public investment into sports bodies which are in receipt of public investment.	UK Sport and Sport England to provide data which they collect annually from organisations they fund. This will be reported in the <i>Sporting Future</i> Annual Reports.
22	Increase in the number of publicly funded bodies that meet the new UK Sports	Collated annually by UK Sport and the Home

⁹ <https://www.gov.uk/government/publications/uk-sport-and-sport-england-triennial-review-report>

	Governance Code.	Nations Sports Councils
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Joint UK Sport-Sport England actions from *Sporting Future*

- Sport England, UK Sport and NGBs will work together to reward existing / regular volunteers with 'gold ticket' opportunities to volunteer at major events.
- UK Sport and Sport England will agree a memorandum of understanding (MoU) on working together on talent by the end of 2016 including objectives and metrics. This MoU should also be extended to include the other three Home Nations' Sports Councils, and reflect the priorities and outcomes set out in this strategy.
- UK Sport will work with Sport England, NGBs, athletes and other partners to ensure that the Athlete Appearances programme utilises Team GB and ParalympicGB athletes most effectively in support of the outcomes set out in this strategy.
- To reduce the over-reliance of some organisations on the public sector and move them to a more sustainable mixed funding model, Sport England and UK Sport will together set targets for and support organisations in (a) reducing the percentage of income that the organisations they fund receive from a single public sector source and (b) increasing the overall level of non-public investment they receive. These targets will reflect the fact that this will be easier for some organisations than others. Targets will come into effect in April 2017, with the 2016/17 financial year acting as the baseline.
- Sport England and UK Sport will work with the organisations they fund to agree plans to make back office and efficiency savings where appropriate and consider moves to shared service models during the next investment cycle starting in April 2017.
- Sport England and UK Sport will ensure that the recommendations on efficiency in the Triennial Review of UK Sport and Sport England are implemented, taking into account the additional responsibilities set out in the *Sporting Future* strategy, and both organisations will work with the other Home Nations' Sports Councils to establish where those recommendations might be usefully applied in Scotland, Wales and Northern Ireland as well.
- UK Sport and Sport England will, along with the other Home Nations' Sports Councils, agree a new UK Sports Governance Code by September 2016, the equivalent of the Financial Reporting Council's UK Corporate Governance Code.

- Sport England and UK Sport will work together to tackle the lack of diversity in senior positions across the sport sector, working with expert organisations to break down barriers in the recruitment and advertisement of roles.

4.9 Quarterly meetings between the DCMS Sport Senior Management Team and Sport England’s Executive Team will provide the mechanism for discussing Sport England’s performance against the KPIs and actions set out above.

4.10 Sport England, UK Sport and DCMS will meet biannually, where Sport England and UK Sport will report jointly on their matters of shared responsibility, including shared recommendations from the UK Sport-Sport England Triennial Review and relevant shared actions and recommendations from the *Sporting Future* and *Towards an Active Nation* strategies.

5. Engagement

5.1 The Department and Sport England have agreed an engagement calendar as set out below. This contact will be in addition to routine and policy led contact between DCMS and Sport England. The DCMS Finance and HR Teams may agree a separate calendar of engagement with Sport England finance and HR team.

<p><i>Quarterly engagement meetings between the Sport England executive team and the DCMS Head of Sport and management team to monitor performance against KPIs and implementation of recommendations in Sporting Future, Towards An Active Nation and the Triennial Review of UK Sport and Sport England. The DCMS Head of Sport will attend Sport England Board meetings and other key DCMS managers will also attend as observers as appropriate.</i></p>	<p><i>3 monthly</i></p>
<p><i>Six monthly joint meetings with Sport England and UK Sport to monitor progress and performance on shared programmes and projects of work, and to monitor the implementation of shared recommendations from the UK Sport and Sport England Triennial Review.</i></p>	<p><i>6 monthly</i></p>

<p><i>Annual review meetings with the responsible Minister, the Chair and Chief Executive to review objectives and performance against KPIs, progress on strategy implementation and discuss corporate plans.</i></p>	<p><i>Annual</i></p>
<p><i>Annual Board meetings with the responsible Minister and Chair to discuss the performance of the Sport England Board against KPIs and discuss corporate plans.</i></p>	<p><i>Annual</i></p>

Part B: FINANCIAL CONTROLS

1. Delegated Financial Limits

All delegations are subject to the requirement that spending proposals falling within *Managing Public Money* Annex 2.2, Para A2.2.12, Box A.2.2C should be referred to DCMS. These are:

- Items which are novel, contentious or repercussive, even if within delegated limits;
- Items which could exceed the agreed budget and Estimate limits;
- Contractual commitments to significant spending in future years for which plans have not been set;
- Items requiring primary legislation (e.g. to write off National Lottery Distribution Fund debt or Public Dividend Capital);
- Any item which could set a potentially expensive precedent;
- where Treasury consent is a specific requirement of legislation.

Unlimited (unless otherwise specified)

1.1 Capital Expenditure

Expenditure on new construction, land, extensions of, and alterations to, existing buildings and the purchase of any other fixed assets (e.g. machinery, plant, and vehicles), art works and additions to the collection with an expected working life of more than one year. Also includes exchanges of fixed assets.	£5M
Expenditure on the signing of new leases, renewals of existing leases, the non-exercise of lease break options, any new property acquisitions (including those made through a Public Finance Initiative Provider), new build developments, sale and leaseback, and any freehold sales as part of national property controls	£100,000 Approval for leases over £100,000 can only be given by the Chief Secretary to the Treasury and must provide value for money for Government as a whole or

	demonstrate exceptional circumstances.
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1.2 Single Tender Contracts

The delegation for single tender contracts is set at £100,000 for each contract. Proposals for awarding single tender contracts outside this delegated limit must have the prior approval of DCMS before any contract is awarded.

1.3 Gifts

Gifts received by Sport England	Unlimited
<p>In a financial year, any one gift or total of gifts by Sport England:</p> <ul style="list-style-type: none"> ● to one person/organisation; ● to staff. <p>Gifts to staff are also subject to the following Cabinet Office guidance: http://www.cabinetoffice.gov.uk/resource-library/guidance-civil-servants-receiving-hospitality and Sport England's Gifts and Hospitality Policy.</p>	£1,000

Proposals for making gifts outside this delegated limit must have the prior approval of DCMS. Sport England must keep a record of gifts given. Details of gifts to one person/organisation should be noted in the annual accounts if individually or collectively, they exceed £1,000.

1.4 Fraud

No delegation. All cases of attempted, suspected or proven fraud, irrespective of the amount involved, must be reported by Sport England to the Department as soon as it is discovered.

1.5 Non-Statutory Contingent Liabilities

The Department should be consulted before Sport England voluntarily incurs or as

soon as it becomes aware of a contingent liability of more than £100,000.

1.6 Losses and Special Payments

The write-off of losses or approval of special payments should only be carried out by staff authorised to do so by and on behalf of Sport England's Accounting Officer. Sport England should consult DCMS where cases:

- Involve important questions of principle;
- Raise doubts about the effectiveness of existing systems;
- Contain lessons which might be of wider interest;
- Are novel or contentious;
- Might create a precedent for other departments in similar circumstances;
- Arise because of obscure or ambiguous instructions issued centrally.

1.6.1 Classification of Losses

Type	Description	Delegation
A.	Losses	
(i)	<u>Cash losses</u> : Physical losses of cash and its equivalents (e.g. banknotes, credit cards, electronic transfers, payable orders)	£100,000
(ii)	<u>Bookkeeping losses</u> : <ul style="list-style-type: none"> ● unvouched or incompletely vouched payments, including missing items; ● changes to clear inexplicable or erroneous debit balances. 	£100,000
(iii)	<u>Exchange rate fluctuations</u> : Losses due to fluctuations in exchange rates or revaluations of currencies.	£100,000
(iv)	<u>Losses of pay, allowances and superannuation benefits paid to NDPB employees:</u>	
	<ul style="list-style-type: none"> ● overpayments due to miscalculation, misinterpretation, or missing information 	£100,000
	<ul style="list-style-type: none"> ● unauthorised issues, e.g. inadmissible payments 	£100,000

	<ul style="list-style-type: none"> losses arising from other causes, e.g. non-disclosure of full facts by the beneficiary, short of proven fraud. 	£100,000
(v)	Losses arising from overpayments of grant, subsidies, etc. arising from miscalculation, misinterpretation or missing information.	£10,000
(vi)	Losses arising from failure to make adequate charges for the use of public property or services.	£25,000
B.	Stock write offs and impairments	£1,000,000
C.	Losses of accountable stores:	
(i)	because of proven or suspected fraud, theft, arson or sabotage, or any other deliberate act (including repairable damage caused maliciously to buildings, stores; etc. even where a legal claim is not possible).	£25,000
(ii)	losses arising from other causes.	£10,000
D.	Fruitless payments and constructive losses	£100,000
E.	Claims waived or abandoned	£100,000

A record of losses should be maintained and if the total of losses or special payments in the year exceeds £100,000, the annual accounts should include a statement, with any individual losses and special payments exceeding £100,000 specifically identified.

1.6.2 Special Payments

Special severance payments: There is no delegation for special severance payments (payments made to the employee outside their statutory or contractual entitlement upon termination of their employment contract). Each payment, regardless of value will require HM Treasury approval before an offer can be made.

Redundancy payments: DCMS should be notified of all redundancy payments outside contractual terms.

	Special payments:	
(i)	extra-contractual and ex gratia payments to contractors;	£100,000
(ii)	other ex gratia payments;	£100,000
(iii)	compensation payments;	£100,000
(iv)	extra-statutory and extra-regulatory payments.	£100,000
(v)	Consolatory Payments: A special payment to address an inconvenience or hardship to a third party, arising from administrative failures i.e. where the organisation has not acted properly or provided a poor service. These can include: wrong advice, discourtesy, mistakes and delays.	£500

1.6.3 Disposal of Assets

Sport England should seek approval from DCMS for the disposal of all assets above £500,000, excluding furniture and fittings. This limit does not apply to the disposal of works of art and antiques which will require DCMS approval, regardless of value.

1.6.4 Approval for retention of receipts

Sport England should apply for permission to retain any income receipts (excluding any cost recharges, grants received, Sports Council Trust Company income and any inter-company recharges) where the aggregate annual total for each category exceeds the amounts below notified to the Department at the Spending Review.

	2016/17	2017/18	2018/19	2019/20
Resource DEL receipts	£49,000	£49,000	£49,000	£49,000
Capital DEL receipts	£0	£0	£0	£0

1.6.5 Grants

Sport England must have proper guidelines in place for all grant or loan schemes it operates and payments of grants or loans must be made properly in accordance with these guidelines. Grants made from the Lottery fund are governed by Financial Directions issued by the Secretary of State.

Sport England shall ensure that grants made to organisations which receive the major part of their funding from Sport England are accompanied by appropriate conditions, including obligations to ensure that the books and records of such organisations are readily available for inspection by Sport England and the NAO.

1.6.6 Payments of Compensation under Statutory Schemes

Unlimited

1.6.7 Loans

Sport England should obtain the prior approval of the Department for any loans granted by Sport England.

2. Spend controls

2.1 Sport England is subject to the Cabinet Office spend controls set out at <https://www.gov.uk/government/publications/cabinet-office-controls> and the DCMS thresholds for spend controls, as set out in the [DCMS Spend Control Guidance](#).

2.2 All Cabinet Office spend controls apply to Sport England.

3. Procurement

3.1 Sport England must comply with the Public Contracts Regulations 2015 (PCR) in its procurement activity. As Sport England is not listed as a Central Government Authority within the PCR, the procurement thresholds applicable to Sport England are those set out under 'Other Contracting Authorities' within the European Public Contracts Directive (2014/24/EU). At the date of signing this agreement the

thresholds are:

- Supply, Services and Designs Contracts: £164,176*¹⁰; and
- Works Contracts: £4,104,394*

3.2 Sport England shall:

- Acquire goods and services through fair and open competition, using LEAN methodology where appropriate, delivering value for money through procurement, and operating in line with European law, including restrictions on state aids and current best practice, inclusive of open procurements for requirements under £164,176* where appropriate and restricted use of Pre-Qualification Questionnaires.
- Comply with current requirements on additional spend controls, delegated authorities and authorisations on procurement and leases as notified to them by the Department.
- Support collaborative procurement and commercial efforts across DCMS and its family of other ALBs.

4. Efficiency

4.1 In its Spending Review Settlement Letter, Sport England was asked to find an efficiency saving of at least 1% year-on-year, calculated against its RDEL grant-in-aid funding for that year, across the Spending Review period, which can be recycled into frontline services. Sport England will be required to provide an annual return outlining their efficiency plans, as well as projected and actual savings.

5. Management Information

5.1 The table below sets out the management information that the Department expects Sport England to provide in the course of a 12 month period. These may be subject to change depending on future information requirements.

Timescale	What	How	Purpose
Monthly (9th working day of each month)	Grant-in-Aid requests	Via Finance Partnership Webpage	To get Sport England's latest forecast income and expenditure for reporting to Board and

¹⁰ *Thresholds are subject to change by the Official Journal of the European Union.

			HM Treasury. Also the mechanism for paying GIA to the National Gallery
Monthly	Consultancy return (including nil returns)	By e-mail to DCMS Procurement and Commercial Team	To enable Cabinet Office to keep track of the number of public sector consultancy contracts.
Monthly	Cash management figures within GBS accounts	By e-mail to Finance	To supply HM Treasury with forecast for cash management inside GBS
Monthly	Spend over £25,000	On Sport England's website	Transparency: to inform public how public money is spent
Quarterly	Key metrics (total procurement spend, spend with SMEs and the Voluntary, Community and Social Enterprise sector)	By e-mail to DCMS Procurement and Commercial Team	Benchmarking of procurement spend and provision of data on economic effect of spend by Departments and ALBs
Quarterly	Exchequer funds held in commercial bank accounts	By e-mail to Finance	To supply HM Treasury with details of how much government funding is held outside GBS
Quarterly	Medium Term Financial Model returns	By e-mail to Finance	To get Sport England's latest capital profiles for internal management and reporting to Finance Committee
Six-monthly	Publication of senior salaries and organograms	On Sport England's website or hosted on DCMS	Transparency: to inform public how public money is spent

		website	
Annually	Alignment/WGA	Alignment consolidation packs, WGA transactions and balances exercise	Alignment: to consolidate Sport England's resource accounts within the DCMS resource accounts WGA: to gather counter-party details for consolidation.
Annually	Sustainability data	By e-mail to Finance and DCMS Sustainability Champion	To meet HM Treasury requirement to supply centre with sustainability data
Annual	EU public procurement statutory return (Schedule 1 or Schedule 2 as appropriate)	By e-mail to Cabinet Office	Legal requirement to provide data on number of tenders advertised in the European Journal
Annually - Mid August	Country and Regional analysis data	By e-mail to Finance	HM Treasury requirement - feeds into the Core Tables for the Annual Report and Accounts
Annually	Annual report and accounts	By e-mail to Finance as per timetable (separate guidance is issued on this)	Statutory obligation
Annually	Pay Remit and pay remit outturn	By e-mail to ALB Team	To ensure spend on pay is aligned across Government
Annually	Publication of salaries over £150k	By e-mail to ALB Team (for publication on	Transparency: to inform public how public money is spent

		Cabinet Office website)	
Annually	Sharing of Strategic Risk Register as per paragraph 13.1 of the Governance framework.	At annual performance meeting	Enable timely and appropriate response to risk

Ad hoc immediate as required	Completion and updating of e-Pims™ database	Directly into e-Pims™ system	To ensure accurate property and estate information is maintained at all times
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On request	Sharing of audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control and governance.	With Finance and Head of, on request	Assurance of financial management
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6. Agent at 21 Bloomsbury Street

6.1 On 4 October 2013 the DCMS and Sport England entered into an agency agreement (“the Agency Agreement”) to enable Sport England to act as agent on behalf of the DCMS in respect of the following DCMS’ responsibilities at 21 Bloomsbury Street, London, WC1B 3HF (“the Building”) where the DCMS is head-lease holder:

- the management of the Building during the remaining term of the head-lease;
- to procure and enter into all contracts in respect of the management of the Building including those relating:

- to facilities management (“the FM Contracts”);
- the collection of rents, rates and service charge from the Tenants (“the Managing Agent Contract”); and
- the procurement of utility services (including gas, electricity, water, sewerage, telecommunications and data) (the “Utility Contracts”).

Part C: Sport England Governance Framework

1. Introduction

- 1.1. This agreement has been drawn up by the Department for Culture, Media and Sport (“DCMS”) in consultation with Sport England. This document sets out the broad framework within which Sport England will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by DCMS and Sport England. Copies of the document will be placed in the Libraries of both Houses of Parliament and made available to members of the public on Sport England’s website, with a link to it on the DCMS site.
- 1.2. The agreement will remain in place until it is superseded by a new agreement. The agreement should be treated as a living document and reviewed by both sides annually in March. Any changes to ministerial priorities, policy requirements and KPIs will be made by exchange of letters between the Minister and Sport England’s Chair; all other changes will be made by exchange of letter between the DCMS Permanent Secretary and Sport England’s Chief Executive.
- 1.3. Legislative changes will take precedence over any part of this document. Significant variations will be cleared with the Treasury or the Cabinet Office as appropriate.
- 1.4. Nothing under this agreement shall prevent Sport England from carrying out its legal duties under its founding legislation or under any other legislation which impacts on its functions, activities or powers.
- 1.5. This agreement complements Sport England’s Financial Directions and Statement of Financial Requirements (SFR) and its provisions, unless otherwise stated in the SFR, apply to the administration of National Lottery proceeds. It should also be read alongside Sport England’s Policy and Accounts Directions issued under the National Lottery etc. Act 1993.

2. Governance and accountability

- 2.1. The statutory and other duties of Sport England derive from its Royal

Charter dated 23 July 1996 (as amended).

- 2.2. The Secretary of State and other members of the DCMS ministerial team will account for Sport England's business in Parliament.
- 2.3. The respective responsibilities of the DCMS Principal Accounting Officer and Accounting Officers for NDPBs and other arm's length bodies are set out in Chapter 3 of Managing Public Money which is sent separately to the Accounting Officers on appointment and summarised below.
- 2.4. The terms of appointment of the Chair and Board members are as set out in Sport England's founding legislation or other founding documents. Where such appointments are made by Ministers, they will comply with the Code of Practice of the Commissioner for Public Appointments.
- 2.5. In line with the founding legislation or documents, and, where applicable, the Government's Code of Practice on Corporate Governance, the Board will consist of a Chair, together with twelve members that have a balance of skills and experience appropriate to directing Sport England's business.
- 2.6. The Chief Executive is appointed by the Board of Sport England with the approval of the Secretary of State. They report to the Board on the day-to-day running of the organisation and its performance against objectives. In addition to this, they will normally be the Accounting Officer for Sport England and will have specific duties in this regard, which are set out in section 4 below.

3. DCMS Principal Accounting Officer responsibilities

- 3.1. The DCMS Permanent Secretary, as Principal Accounting Officer for the DCMS family of ALBs, is accountable to Parliament for the issue of any grant-in-aid to Sport England and is also responsible for ensuring arrangements are in place to:
 - monitor Sport England's activities on a continuous basis;
 - address significant problems in Sport England, making such interventions as are judged necessary;
 - periodically carry out an assessment of the risks both to the department and Sport England objectives and activities;

- inform Sport England of relevant government policy in a timely manner; and,
 - bring concerns about the activities of the body to the full Sport England Board; requiring explanations and assurances that appropriate action has been taken.
- 3.2. The Head of Sport in DCMS is the primary contact for Sport England within the Department.

4. Sport England Accounting Officer's responsibilities

- 4.1. The DCMS Principal Accounting Officer will normally appoint the permanent head of Sport England, i.e. the Chief Executive, to be the Accounting Officer for the body. The duties of Sport England's Accounting Officer are set out in full in the Permanent Secretary's appointment letter to him/her. The Accounting Officer is responsible for accounting to Parliament, DCMS, Sport England's Board and other stakeholders.
- 4.2. Sport England's Accounting Officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety and regularity in the handling of those public funds; and, reporting to the Board of Sport England, for the day-to-day operations and management of Sport England and the achievement of its strategic aims. In addition, he or she should ensure that Sport England as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 to Managing Public Money (at the time of writing).
- 4.3. The key accountabilities are:
- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with Treasury guidance and with any directions issued by the Secretary of State;
 - signing a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
 - signing a Governance Statement concerning the organisation's management and control of resources during the year and setting out how risk has been managed, for inclusion in the annual report and

accounts;

- ensuring that effective procedures for handling complaints about Sport England are established and made widely known within the body;
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- giving evidence, normally with the Accounting Officer of the sponsor Department, when summoned before the PAC on Sport England's stewardship of public funds.

4.4. Particular responsibilities to DCMS are:

- informing the Department of progress in helping to achieve DCMS's policy objectives as defined in the Single Departmental Plan and in demonstrating how resources are being used to achieve those objectives;
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion; and
- to work collectively with the Department and other members of the DCMS 'family' of arm's length bodies in support of each other and the group as a whole.

4.5. The duties of the Accounting Officer with respect to the Board of Sport England are:

- advising the Board on the discharge of its responsibilities as set out under the founding legislation, in this document, and in any other relevant instructions and guidance that may be issued from time to time;
- advising the Board on Sport England's performance compared with its aim[s] and objectives;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- taking action as set out in paragraphs 3.8.5 and 3.8.6 of Managing Public Money if the Board, or its Chair, is contemplating a course of

action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

5. Sport England Board

5.1. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.

5.2. The Board must set up an Audit Committee chaired by a Trustee or, where applicable, a non-executive member. The Audit Committee should support the Board and Accounting Officer by providing advice and assurance on risk management, governance and internal control.

5.3. Where the Board does not consider issues relating to staff remuneration itself, it shall ensure that an effective mechanism for such consideration exists, e.g. a remuneration committee or similar body performing the same purpose.

5.4. The Board is specifically responsible for:

- ensuring that Sport England fulfils the aims and objectives set out in its Royal Charter and within the policy and resources framework determined by the Secretary of State;
- determining the steps necessary to deal with any developments which are likely to affect Sport England's ability to fulfil its aims and objectives and keeping the responsible DCMS Minister informed if any such developments arise;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority, within the resources framework determined by the Secretary of State and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the sponsor department;
- ensuring that the Board receives and reviews regular financial

information concerning the management of Sport England; is informed in a timely manner about any concerns about the activities of Sport England; and provides positive assurance to the Department that appropriate action has been taken on such concerns;

- demonstrating high standards of corporate governance at all times, including using its Audit Committee to help the Board to address key financial and other risks;
- appointing with the responsible minister's approval as required a chief executive and, in consultation with the Department, set remuneration terms linked to performance against objectives for the chief executive;
- ensuring that any public functions of Sport England are carried out in compliance with statutory duties.

6. The Chair's responsibilities

6.1. The Chair is responsible to the Secretary of State for ensuring that Sport England fulfils its statutory purpose as set out in its founding legislation, that it complies with charity law, that where appropriate Sport England's policies are consistent with those of the Secretary of State, and that Sport England's affairs are conducted with probity. The Chair is also responsible for good governance and for ensuring that the principles set out in the *'DCMS Guidance on Board Appraisal Processes for ALBs'* are followed.

6.2. In addition, the Chair has the following leadership responsibilities:

- formulating the Board's strategy for discharging its statutory duties;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible minister or the Department;
- supporting the Accounting Officer in promoting the efficient and effective use of staff and other resources;
- supporting the Accounting Officer in delivering high standards of regularity and propriety; and
- representing the views of the Board to the general public.

6.3. The Chair also has an obligation to ensure that:

- the performance of the Board and its individual members are reviewed annually and operate effectively and to instigate remedial action should

this not be the case;

- the Board has a balance of skills appropriate to directing Sport England business, as set out in the Government Code of Good Practice on Corporate Governance;
- Board members are fully briefed and understand their terms of appointment, duties, rights and responsibilities;
- when required, he or she, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible minister is advised of Sport England's needs when Board vacancies arise;
- he or she assesses the performance of individual Board members when being considered for re-appointment;
- there is a code of practice for Board members in place consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

7. Individual Board members' responsibilities

7.1. Individual Board members should:

- comply at all times with the Board Members' Code of Practice and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Board's rules on conflicts of interest and the acceptance of gifts and hospitality;
- act in good faith and in the best interests of Sport England.

8. Publications and information strategy

8.1. Sport England will have responsibility for contributing to the Government's system of democratic accountability by making information available to the public on the quality and productivity of its services, value for money, performance and progress on delivery. Sport England will:

- provide timely and accurate information required for Parliamentary Questions, responses by Chief Executives to Parliamentary Questions and contributions to Ministerial and public correspondence. Sport England will be responsible for responding to requests under the Freedom of Information Act within the statutory time limit;
- publish, or cause to be published, an annual report of its activities together with its audited resource accounts after the end of each financial year. Sport England shall provide the Department with its finalised (audited) accounts in accordance with the annual guidance produced by DCMS;
- publish other information as required by the Department in the interests of transparency and as communicated from time to time.

8.2. The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- comply with the Treasury's Financial Reporting Manual (FReM)
- contain a governance statement, setting out the ways in which the Accounting Officer has managed and controlled the resources used in the organisation during the course of the year, demonstrating how well the organisation is managing risks to the achievement of its aims and objectives;
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

8.3. The report and accounts shall be laid in Parliament and made available on Sport England's website and GOV.UK, in accordance with the guidance in the FReM. Sport England should aim to submit a draft of the report to the Department in May/early June. The final version should be submitted for Ministerial approval at least three weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as the FReM and SORP (where applicable).

8.4. Additionally Sport England will be expected to publish information relating to the delivery of its services and policies. In particular this should include information that will help the public to: (i) see progress against activity which Sport England has made a public commitment to deliver; (ii)

judge if the services and/or outputs offer value for money; and (iii) consider whether the way in which the body operates gives rise to any issues around fairness.

8.5. Sport England is named as a producer of Official Statistics under The Statistics and Registration Services Act 2007. As such, Sport England is required to adhere to the Code of Practice for Official Statistics, to have in place a lead official for statistics, and is encouraged to publish a statement of compliance on its website. The DCMS Head of Profession is available to provide further advice and guidance on statistical issues, and is responsible for ensuring the quality and professional integrity of the statistics. (Please see Annex A for links to guidance.)

8.6. Where Sport England conducts or commissions social or economic research, relevant professional standards should be applied to ensure that research is impartial, of sufficient quality, legal and ethical. Sport England should nominate a lead contact for research of this type and share their programme of planned and published research with the Head of the DCMS Evidence and Analysis Unit for information purposes. Further guidance on conducting research can also be obtained from the DCMS Evidence and Analysis Unit.

9. Internal Audit

9.1. Sport England shall:

- establish and maintain arrangements for internal audit in accordance with the Treasury's Government Internal Audit Standards (GIAS);
- ensure DCMS is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with GIAS 5.2;
- set up an Audit Committee of its Board in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including Sport England's Head of Internal Audit's opinion on risk management, control and governance to the sponsor department on request;
- have effective controls to prevent fraud and theft;and

- report all cases of attempted, suspected or proven fraud and theft, irrespective of the amount involved, and notify the Department of any unusual, novel or major incidents as soon as they are discovered, irrespective of the amount involved.
- 9.2. DCMS's internal audit service has a right of access to all documents prepared by Sport England's internal auditor, including where the service is contracted out, for the purpose of obtaining assurance as to Sport England's handling of public funds and effectiveness of financial controls.

10. External Audit

10.1. The Comptroller & Auditor General (C&AG) audits Sport England's annual accounts. Ministerial approval must be given before the C&AG can sign off the accounts.

10.2. In the event that Sport England has set up and controls subsidiary companies:

- Sport England will ask (or will have asked) HM Treasury to designate the company as either profit making or non-profit making;
- where HM Treasury determines that the company is non-profit making, it will be (or will have been) included in a GRAA Order, which will make (or will have made) the C&AG its statutory auditor. The company should appoint the C&AG as auditor by agreement until such time as the GRAA Order is issued;
- where HM Treasury determines that the company is profit making, it should either appoint the C&AG when its audit contract next comes up for renewal or, where they are required to go out to tender for audit services, the C&AG should be invited to compete. Where the C&AG is not appointed, the company must clearly explain the reasons for selecting a different auditor to DCMS.

10.3. The C&AG:

- will consult the Department and Sport England on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue

of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from Sport England;

- will share with DCMS information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within Sport England;
- will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

10.4. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which Sport England has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, Sport England shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

11. Right of access

11.1. Subject to any overriding legal rights or obligations, Sport England will provide access to the Department to all Sport England's records and personnel for all purposes including, for example, operational investigations. Sport England will respond to all requests for information by the Department in a timely and efficient manner.

12. Managing Public Money and other government-wide corporate guidance and instructions

12.1. Unless agreed by the Department and (as necessary) HM Treasury, Sport England shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to DCMS in the first instance. A list of guidance and instructions

with which Sport England should comply is in Annex A.

12.2. Once the overall budget has been allocated by DCMS and subject to any restrictions imposed by statute or the responsible minister's instructions, Sport England shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:

- Sport England shall comply with the delegated financial limits agreed with the Department. These delegations shall not be altered without the prior agreement of DCMS;
- Sport England shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits;
- Sport England shall provide DCMS with such information about its operations, performance individual projects or other expenditure as the sponsor department may reasonably require;
- Sport England shall comply with any additional requirements notified to them by the Department, for instance on spending controls or delegated authorities

13. Risk management

13.1. Sport England shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with Treasury guidance. It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guide: Managing the Risk of Fraud. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

14. Business Planning

14.1. To operate its business effectively, Sport England should produce management planning and information documents covering at least three

financial years ahead. These may take the form of strategic or corporate plans (for three years ahead), and should include a business plan (one year ahead). The first year of the planning document can include the business plan incorporated as a single document.

14.2. DCMS should be sent copies of each of the completed planning documents. DCMS may draw on these plans in agreeing targets and measures to be incorporated in subsequent agreements, and in determining pay and staffing issues. These plans should be made available to the public, via the internet if possible.

14.3. The business plan should include a forecast of income and expenditure suitably classified by activity and key objectives, taking account of guidance on resource assumptions and policies provided by the Department at the beginning of the planning round. These forecasts should represent Sport England's best estimate of its available income, including any grant or grant in aid or any other funding within Sport England.

15. Sport England staff

15.1. Within the arrangements approved by the responsible minister Sport England will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;

15.2. Any proposal by Sport England to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office under the Civil Service Compensation Scheme or an analogous scheme, requires the prior approval of the Cabinet Office. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money and will require Treasury approval. Sport England must follow the processes set out

in the DCMS “Guidance on Staff Exits”.

15.3. Sport England staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by DCMS. These terms and conditions will be subject to an agreed annual pay negotiating remit and should be in line with the current Public Sector pay policy guidelines issued by the Treasury. The remit will be subject to the agreement of the DCMS. Sport England has no delegated power to amend these terms and conditions.

15.4. Sport England shall operate pay restraint, particularly in terms of senior salaries. Sport England shall be subject to the terms issued each year by the Cabinet Office and the Review Body on Senior Salaries. For senior pay and bonuses above the thresholds set out in the [‘Guidance for Approval of Senior Pay’](#), Sport England must seek approval from the Secretary of State and the Chief Secretary of the Treasury.

15.5. Sport England is subject to the [Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees](#), and any guidance that may supersede it. Sport England shall not remunerate employees via special purpose companies or by means of any other tax avoidance devices. Senior staff with significant financial responsibility must be on the payroll, unless there are exceptional temporary circumstances, which must be agreed by Sport England’s Accounting Officer and not exceed a period of six months. Sport England is also responsible for ensuring that any temporary off-payroll workers employed are meeting their tax obligations.

16. Review

16.1. Sport England may be reviewed periodically, by DCMS in accordance with:

- the business needs of DCMS and of Sport England;
- Cabinet Office guidance;

17. Arrangements in the event that an Arm’s Length Body (ALB) is wound up

- 17.1. In the event of the decision being made to wind up Sport England, Sport England will be required to wind-up its affairs [as soon as practicable / in accordance with the timetable agreed with the Department] and to put in place a plan for its closure. This will include arrangements for the handover of its residual business and assets and liabilities.
- 17.2. The draft wind-up plan should be forwarded to DCMS as soon as practicable / in accordance with the agreed timetable.
- 17.3. DCMS shall put in place arrangements to ensure that, when an ALB is wound up, this shall be done in an orderly manner. In particular DCMS should ensure that where an ALB is wound up, the assets and liabilities of the body are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the sponsor department.) To this end, the Department, in conjunction with the ALB, shall:
- ensure that procedures are in place in the ALB to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
 - where a body is audited by the National Audit Office; ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit and that funds are in place to pay for such audits;
 - arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the Permanent Secretary should sign.
- 17.4. The ALB shall provide the Department with full details of all agreements where the ALB or its successors have a right to share in the financial gains of developers. It should also pass to the department details of any other forms of claw-back due to the ALB.

18. Budgets and Grant-in-Aid

- 18.1. Expenditure against resource and capital budgets must be recorded

and monitored by Sport England in accordance with the Treasury's Consolidated Budgeting Guidance (or its successor). These are the net expenditure limits for Sport England in each year - including any use of reserves for which budgetary cover has been given - and must be adhered to. Net expenditure above these limits may not be committed until or unless a revised budget has been agreed in writing by DCMS.

18.2. Sport England may not breach the component parts of the capital and resource budgets (e.g. core capital). Approval must be sought in advance and in writing if Sport England wishes to spend more in one category and less in another. In all these matters, the Department may be required to refer a decision to the Treasury before granting approval.

18.3. Grant in Aid is the amount payable by the Department to Sport England in each year and is independent of the budget figures, although derived from them. It does not include depreciation or any budgetary cover allocated by the Department for Sport England's use of its own reserves.

19. Grant-in-aid and any ring-fenced grants

19.1. Both the grant-in-aid provided by the Department and the overall budgets set by it for the year in question will be voted in the Department's Supply Estimate and be subject to Parliamentary control.

19.2. The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. Sport England will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of Sport England. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the Department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

19.3. As a minimum, Sport England shall continue to provide the Department with monthly information via its grant in aid claims that will enable the Department satisfactorily to monitor:

- o Sport England's cash management;
- o its draw-down of grant-in-aid;
- o forecast outturn;
- o other data required for the Treasury's Combined On-line Information System (COINS) or its successor.

20. Reporting performance to the Department

20.1. Sport England shall operate management information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. Sport England's performance shall be reviewed by the Department periodically in accordance with the engagement strategy.

21. Delegated authorities

21.1. Sport England shall obtain the Department's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in Sport England's annual budget as approved by the Department;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- redirecting funding provided by the Department for one purpose to other purposes;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

21.2. Sport England may establish subsidiary companies or participate in

joint ventures subject to express approval of DCMS in consultation with the Treasury.

- 21.3. The certificate of exemption from Employers' Liability Insurance issued in December 1996 remains valid.

22. Capital projects

- 22.1. All capital projects, whether already underway or beginning during this period, are subject to the Department's investment appraisal processes. Any capital expenditure that exceeds Sport England's delegated capital limit must be referred to the DCMS Finance Committee for approval at three stages of development, as set out in guidance issued by the Department. The figure used in calculating whether the costs exceed the delegated limit is the lifetime cost of the capital project, including non-exchequer funding and any increased running costs ensuing from it.
- 22.2. Where projects are reliant on donations or sponsorship that have yet to be confirmed, demonstration of a staggered approach to completion (i.e. that takes account of the funds secured to date before proceeding with each stage) will be more likely to receive approval to proceed.
- 22.3. When considering the case for capital projects, Sport England is expected to use the Treasury's Green Book methodology (or its successor), as modified or enhanced by guidance from DCMS. This is the case for evaluating a capital project regardless of whether the project requires DCMS Finance Committee approval. The Department reserves the right to receive copies of business cases for projects below Sport England's delegated limit or elements of it, such as the Net Present Value calculation.

23. Compliance with the Equality Act 2010

- 23.1. In exercising public functions Sport England is subject to the public sector equality duty in section 149 of the Equality Act 2010, requiring Sport England to have due regard to the need to:
- Eliminate unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - Advance equality of opportunity between people who share a relevant

protected characteristic (age; disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation) and people who do not; and

- Foster good relations between people who share a relevant protected characteristic and people who do not.

24. Cyber Security

24.1. As part of its approach to risk management and information assurance Sport England should ensure the robustness of its cyber security to protect itself against data breaches, service disruption, loss and reputational damage. The level of provision should be proportionate to the Sport England's size and the level of risk it carries in terms of cyber vulnerability. A range of relevant Government advice and guidance can be found at <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>.

24.2. As a minimum, Sport England should take steps to ensure it has basic cyber security controls in place. These should be at least at the level set out in the Cyber Essentials scheme. Further details of this scheme can be found at www.cyberstreetwise.co.uk/cyberessentials. Departmental officials can offer further guidance and support.

Signed by:



Secretary of State for Digital, Culture, Media and Sport

Date: 08-08-18



Chair of Sport England

Date: 29-08-18



Accounting Officer of Sport England

Date: 29-08-18

Annex A: Compliance with guidance and instructions

Sport England shall be aware of and, where necessary, comply with the following general guidance documents and instructions:

- Appropriate adaptations of sections of the Corporate Governance Code for Central Government Departments;
http://www.hm-treasury.gov.uk/psr_governance_corporate.htm
- Managing Public Money (MPM);
http://www.hm-treasury.gov.uk/psr_mpm_index.htm
- Consolidated Budgeting Guidance (issued annually);
- Government Internal Audit Standards;
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- Appropriate adaptations of the Audit Committee Handbook;
http://www.hm-treasury.gov.uk/audit_committee_handbook.htm
- Management of Risk: Principles and Concepts;
http://www.hm-treasury.gov.uk/d/orange_book.pdf
- Government Financial Reporting Manual (FReM);
http://www.hm-treasury.gov.uk/frem_index.htm
- If applicable, the Charities SORP;
http://www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_charity_accounts/sorpfront.aspx
- Fees and Charges Guide, Chapter 6 of MPM;
http://www.hm-treasury.gov.uk/d/mpm_ch6.pdf
- Banking guidance, annex 5.6 of MPM;
http://www.hm-treasury.gov.uk/d/mpm_annex5.7.pdf
- Relevant Dear Accounting Officer letters;
<https://www.gov.uk/government/collections/dao-letters>
- The Parliamentary Ombudsman's Principles of Good Administration;
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>
- Consolidation Officer Memorandum, and relevant DCO letters;
- Relevant Freedom of Information Act guidance and instructions;
<https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- Model Code for Staff of Executive Non-departmental Public Bodies: Chapter 5 (Annex A) of Public Bodies: A Guide for Departments (Cabinet Office);

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
<https://www.gov.uk/government/collections/whole-of-government-accounts>
- Guidance on major projects issues by the Major Projects Authority;
<http://www.cabinetoffice.gov.uk/content/major-projects-authority>
- The Statistics and Registration Services Act 2007;
<http://www.legislation.gov.uk/ukpga/2007/18/contents>
- The Code of Practice for Official Statistics;
https://www.statisticsauthority.gov.uk/wp-content/uploads/2015/12/images-codeofpracticeforofficialstatisticsjanuary2009_tcm97-25306.pdf
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418726/PPN_08-15_Tax_arrangements_for_public_appointees.pdf
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to Sport England.