



Communities Select Committee  
21 March 2013

**The Governance of Surrey's County Sports Partnership**

**Purpose of the report:** Policy Development and Review

To inform members about the review of Surrey's County Sports Partnership and seek views on the opportunities for future development to secure best use of resources at a sustainable cost to the Council.

**Introduction:**

1. At the meeting of the Select Committee on 12 July 2012, evidence was taken on the purpose of Surrey's County Sports Partnership (CSP) which was recognised as the strategic representative, advocacy body and lead development agency for sport and physical activity in Surrey.
2. The CSP consists of a number of levels (see appendix 2 for details) comprising:
  - 2.1 The Surrey Sports Board "Shadow" Executive which provides governance of the CSP.
  - 2.2 The advisory Surrey Sports Board Council which includes elected / nominated representatives of all stakeholders / organisations involved in sport and physical activity.
  - 2.3 Active Surrey - the core delivery team and brand.
3. Members resolved to scrutinise a further report addressing the Council's options for sport at a future meeting.
4. This report describes the recent review of the governance arrangements of Surrey's CSP, conducted by a small group of key partners in consultation with a wide range of stakeholders.
5. The report also provides a number of recommendations for the Select Committee to discuss, agree and propose to Cabinet.

**The Review:**

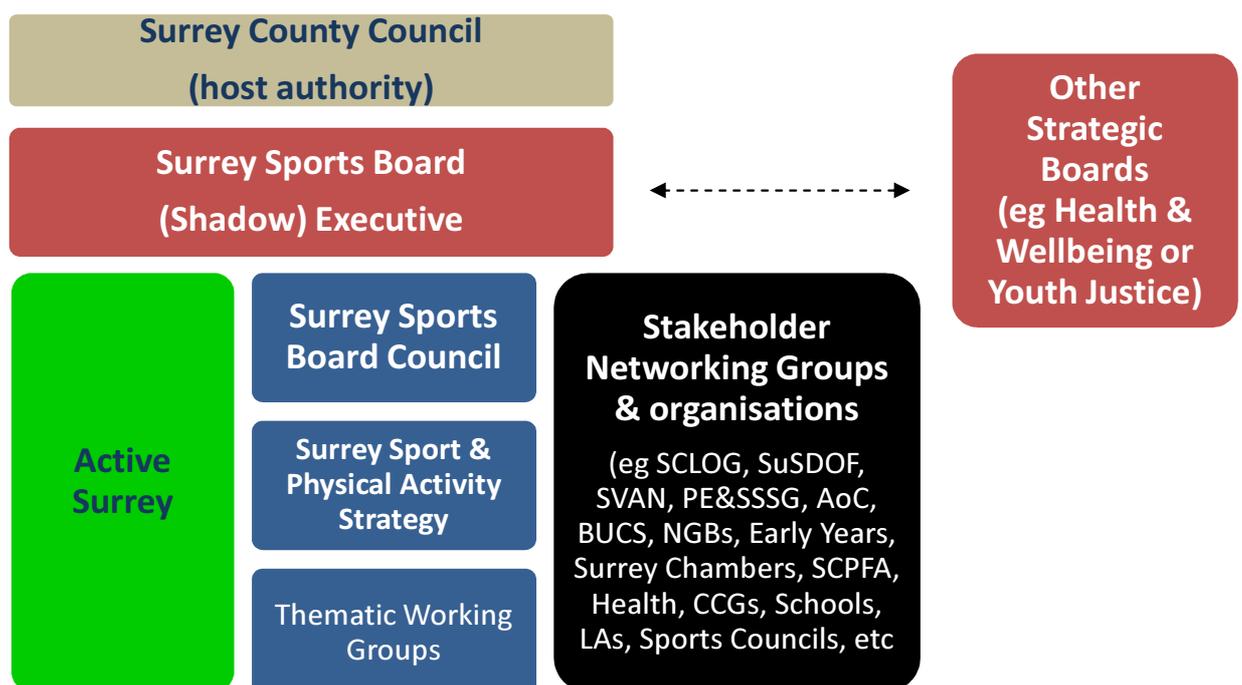
6. Since 1999, Surrey's CSP has been strategically coordinating local delivery of sport and physical activity, ensuring best use of resources and fostering joined up working to ensure Surrey is a more active and successful sporting county. Current priorities include attracting new participants into sport and physical activity (through events, workplace activities and GP engagement), supporting clubs to grow sustainably and coordinating facility developments.

7. There have been regular reviews of the direction and governance over this period. The most recent review cycle has coincided with the setting up of Surrey's shadow Health & Wellbeing Board (HWB), uncertainty over the future of non-statutory services such as sport within local authorities and the awareness raised by the London Olympics/Paralympics and the desire for a legacy from the Games. It is therefore the ideal time to assess the role of sport and physical activity in Surrey, the CSP, and its benefit to the county's priorities.
8. A small group of key partner representatives with knowledge and experience of different business operation / governance models were recruited by the existing CSP Executive Group (marked with asterisks below) to conduct the review. The following agreed to become the CSP Review Group in May 2012:
  - Gerry Ceaser (Surrey Sports Board Council Chair)\*,
  - Martin Cusselle (SCC rep)\*,
  - Campbell Livingston (CSP Director)\*,
  - Cllr David Munro (Vice Chairman, Surrey County Council),
  - Mike Abbot (CEO, Surrey Youth Focus),
  - Paul Blanchard (CEO, Surrey Sports Park),
  - Sue Barham (Strategic Director, Woking Borough Council),
  - Sue Appleton (Local Government Relationship Manager, Sport England).
9. Over the next 6 months, evidence was gathered (both from within Surrey and from other CSPs across England) and the various governance arrangements were analysed. The Review Group then produced a discussion paper which explored the key issues prompting the review, the options available and the benefits and risks of change (See appendix 3). It also provided some recommendations for stakeholders to deliver an improved set-up that is fit for the future and can best achieve the CSP's vision of a more active and successful sporting county. These were discussed at a number of meetings.
10. A meeting was held between Cllr David Munro, Cllr Helyn Clack, Martin Cusselle and Campbell Livingston on 11 September 2012. Cllr Clack advised on the processes that would need to be followed to gain Cabinet endorsement of the Surrey Sport & Physical Activity Strategy and the long term CSP governance arrangements. It was proposed that:
  - 10.1 The CSP Hosting Agreement should be extended until March 2014 to allow time for the review to be carried out and any recommendations implemented.
  - 10.2 The CSP Review Group should produce a paper for a meeting of SCC's Cabinet in June/July 2013 containing recommendations for sustaining the CSP long term and the high-level endorsement of the Surrey Sport and Physical Activity Strategy.
  - 10.3 The CSP Review Group should become a Shadow Executive Board with clear terms of reference to help provide the necessary governance oversight required by Sport England funding conditions and to prepare the ground for any potential change in governance following the Cabinet meeting.
11. At the 12 September 2012 Surrey Sports Board Council meeting, members agreed to pursue the following three recommendations:
  - 11.1 **Produce a Compact or Memorandum of Understanding** to be signed by partners and Strategic Boards (including Surrey Leaders Group, SCC Cabinet, Health & Wellbeing Board, etc), to ensure that (a) the CSP is positioned at the right level for the future in terms of decision-making, influence and reporting and (b) the set-up is not duplicated elsewhere.

- 11.2 **Set up a new Executive Board** to oversee the CSP's performance and provide high level influence with key decision makers. This should either be delegated more powers by the existing host or, through the setting up of an independent company/charity, would take on legal responsibility for the CSP. It is envisaged that the Executive Board should be elevated to the same status as existing Boards such as Health and Wellbeing or Youth Justice.
- 11.3 As an interim arrangement (until full democratic elections can be held), the SSB Council agreed at their September 2012 meeting that the CSP Review Group would be tasked with also fulfilling the Executive Board roles in a temporary, "shadow" capacity.
- 11.4 **Investigate in more detail the CSP's legal status**; either reinforcing the current hosting arrangements or setting up the CSP as an independent body. (See paragraphs 20-33 for more details).
12. Following the SSB Council meeting, the proposals were distributed to all SSB Council members and their networks for comment – this guaranteed a very wide range of stakeholders were consulted (see appendix 1). Individual meetings were also held with every Borough & District Council Chief Leisure Officer and the review findings were presented at meetings of both Chief Leisure Officers (Boroughs & Districts and County) and Sports Development Officers (Boroughs & Districts and national governing bodies of sport). Implicit and explicit agreement was provided.
13. The new Surrey Sports Board Shadow Executive met for the first time in October 2012 and has met a further two times (to date) to provide oversight of the CSP's activities. Once further decisions have been made on the future governance / legal set-up, open elections for membership of the Executive will subsequently be held with opportunities for SSB Council and other stakeholders to nominate / vote.

**Figure 1: Diagrammatic view of the CSP's interim set-up**

Together the Board and the Active Surrey team play a vital role in fostering better partnership working, sharing of resources and coordination of an often disparate and convoluted sector.



## Benefits of sport and physical activity and the CSP's position:

14. Sport and physical activity generates substantial long-term economic value in terms of avoided health costs and improved health-related quality of life; it has a positive and quantifiable effect on a person's perceived wellbeing; regular exercisers have lower mortality rates; and it increases numeracy skills in school children. Families are a major factor in influencing their children participating in regular sport and physical activity and there are clear links between families that participate in regular sport and physical activity and their levels of confidence, positive attitude, health and general achievement.
15. In the absence of an SCC sports development service, Active Surrey staff already assist SCC to work better with the local community and contributes to the wellbeing of residents, providing cross-cutting sports development advice and support to all of its directorates and departments. A range of initiatives and work has been conducted with SCC (see figure 2) and our many partners (see Table 1) to help deliver on SCC priorities and emerging strategies. Delivery is integrated to achieve the Surrey Sport & Physical Activity Strategy's four outcomes: Performance, People, Places, and Participation (see appendix 2).

**Figure 2: Active Surrey's recent work with SCC departments**



**Table 1: Partners**

- 11 Boroughs/Districts
- Surrey Playing Fields
- Surrey High Sheriff
- 14 Sports Councils
- 46 Sport Governing Bodies (county/national)
- 1200+ sports clubs
- 9 FE colleges
- 2 HE institutions
- All schools
- Sport England
- Youth Sport Trust
- Surrey Community Action
- Volunteer Centres
- 29 Leisure Centres
- Surrey Youth Focus
- R&R YMCA
- Surrey Chambers
- Community Foundation
- sported
- Babcock 4S
- Mercedes Benz World
- P&G
- Government Depts (Cabinet Office; DCMS; Health; Education)
- Street Games
- English Federation of Disability Sport

16. Despite the national evidence and local successes, it appears that sport, physical activity and active recreation is not always seen as a priority amongst decision makers and, as a consequence, SCC has yet to fully capitalise on the powerful impact that more coordinated activity can have on individuals, families, communities and society as a whole. More could be done more easily if there are clearly defined links between the CSP and, for example, SCC's public health objectives, Olympic legacy and young people's employability plans, supporting lifestyle changes amongst Surrey's under achieving and vulnerable families.

17. Both Government and its major funding agency, Sport England, believe that the national network of 49 CSPs are the lead strategic body for sport and physical activity in each sub-region (i.e. county). They specifically cite CSPs as playing a pivotal role in delivering the national strategy "Creating a Sporting Habit for Life" and have announced in-principle funding until at least 2017. This brings significant external funding into Surrey (approximately £600k per annum) and attracts match funding (approximately £400k) from local partners and sponsors. (See [http://www.sportengland.org/about\\_us/our\\_news/creating\\_a\\_sporting\\_habit\\_for.aspx](http://www.sportengland.org/about_us/our_news/creating_a_sporting_habit_for.aspx))
18. There is extensive, and growing, stakeholder buy-in and involvement (as evidenced by the 98% satisfaction rating in the latest annual stakeholder survey), but the CSP needs consistent recognition in order to ensure cooperation by partners and to avoid duplication of resources. This is a prime opportunity to raise the profile of the CSP in Surrey to the level of other partnerships such as the Health & Wellbeing and Youth Justice Boards.
19. Cabinet recognition of the CSP's role is therefore sought and subsequently consistent agreement by all partners (through the signing of a new memorandum of understanding).

<b>Investigation into the most appropriate legal status:</b>
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20. Active Surrey receives an annual "core grant" of £200,000 from the National Lottery (via Non-Departmental Public Body - Sport England). This core grant is provided so that Active Surrey can be the strategic lead delivery agency for sports & physical activity development in Surrey working with a wide range of partners through the Surrey County Sports Partnership. The core grant (which has been confirmed until at least 31 March 2014 and in-principle until at least 31 March 2017) also attracts a number of local partners' contributions.
21. Active Surrey is a non-incorporated body hosted, since 1999, by Surrey County Council (SCC) within Services for Young People. All staff are therefore employees of SCC although the operating costs are almost fully covered by external contributions and grants.
22. The SCC hosting agreement (currently in place until March 2014) provides significant in-kind corporate support, including HR, IT, office accommodation, legal and finance. SCC, through the Youth Support Service, also contributes £5,000 annual partner "core" funding and management support.
23. The core grants and contributions (around £300,000) also attract around £600,000 in project funding. In 2012/13, SCC contributed £28,100 for project delivery, which will reduce to £2,100 in 2013/14.

**Table 2: Active Surrey Income & Expenditure Budget 2012-14**

<b>Funding</b>	<b>2012/13</b>	<b>2013/14</b>
Other bodies grants (local partners)	£826,000	£769,000
Fees & charges	£89,000	£109,000
<b>Total funding</b>	<b>£915,000</b>	<b>£878,000</b>
<b>Expenditure</b>		
<b>Expenditure</b>	<b>2012/13</b>	<b>2013/14</b>
Staffing	£614,000	£642,000
Non pay	£301,000	£236,000
<b>Total expenditure</b>	<b>£915,000</b>	<b>£878,000</b>

24. Currently the CSP is not a legal entity / incorporated and the existing Surrey Sports Board (Executive and Council) does not have legal powers but is purely an advisory group. SCC retains legal powers and day to day operational responsibility over the CSP. Decisions regarding projects are therefore reached by mutual decision with partners but within the conditions of SCC's policies and procedures. (NB The new SSB Shadow Executive has started to make strategic decisions).
25. In pursuit of a sustainable future for the CSP the opportunities and constraints that would be afforded by a range of operating models (see appendix 4) were examined. These options include the status quo, independent trading company (current or new host), or company limited by guarantee with charitable status. Each of these offer differing opportunities to secure a sustainable financial future, minimising risk to SCC whilst adding significant value for residents.
26. The picture across England is that local authority sport services are having their funding reduced. All 49 CSPs started within local authorities or universities, but the development of less favourable hosting arrangements over time has prompted around a quarter to recently become incorporated companies / charities. However, this leaves 35 CSPs that are still hosted and, if the currently favourable hosting arrangement in Surrey remains as such, there appears limited financial justification in the immediate future to become independent.

<b>Option A:</b>
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27. Based on investigations into the costs of setting up and maintaining an independent organisation, the most beneficial option for the CSP is to remain within SCC. This would avoid an increase in back office costs and safeguard the most funding for frontline delivery in the current uncertain financial climate. This is also the preferred option of the national CSP Network and major funder Sport England who like the credibility and solidity offered by SCC.
28. It would rely on SCC continuing to employ and be responsible for the small Active Surrey team (currently 19 FTE staff) but there would be neither an increase in revenue costs for SCC, nor any increased liability (in-principle) if this option was agreed.
29. The existing hosting arrangement (up to 31 March 2014), which provides in kind support and a small funding contribution, should therefore be extended until at least 31 March 2017 (to coincide with agreed Sport England funding awards).
30. However, to ensure enhanced operational success and to comply with partner funding criteria on impartiality and stakeholder involvement, the following should be agreed:
  - 30.1 SCC should clarify the status of the CSP in relation to other Boards and departments (see paragraphs 18-19 above). Clear lines of authority should also be drawn.
  - 30.2 SCC should delegate appropriate decision-making authority to the SSB Executive (once elected) as per the SSB Shadow Executive's Terms of Reference (see appendix 6) and reference should be made to the CSP within SCC's Scheme of Delegation to Officers.
  - 30.3 SCC should ensure that if any decisions are going to affect the operational status or hosting arrangement of the CSP that the SSB Executive are consulted with a minimum of 12 months notice.

31. Whilst the CSP remains hosted, it would remain ultimately accountable to SCC and it is therefore proposed that:
- 31.1 A senior SCC Councillor and a senior SCC officer would both be members of the SSB Executive (out of a total of 8-10 members).
- 31.2 Regular (possibly annual) updates should be systematically provided to the Communities Select Committee.

**Option B:**

32. A second option is incorporation as a Local Authority Trading Company (LATC) or Company limited by Guarantee (CLG) owned by SCC.
- 32.1 Staff would remain as SCC employees but be seconded out. This maintains SCC staffing liabilities.
- 32.2 However, this would reduce the available operating budget as the new company would not be able to reclaim VAT. An increased grant &/or maintenance of in-kind support would need to be negotiated to mitigate against rising costs.
- 32.3 This option could provide a halfway house between relying on a host organisation (retaining pensions and office base, etc) and full exposure as a separate business (increased VAT costs, etc).

**Option C:**

33. A third option is incorporation as either a Company Limited by Guarantee (CLG) (and apply for charitable status) or as a Charitable Incorporated Organisation.
- 33.1 Staff would transfer under TUPE regulations. The new organisation would take on future staffing liabilities but would require SCC to act as guarantor to the LGPS – this is not a formality.
- 33.2 The CSP would utilise more staff time to run the charity thereby reducing frontline delivery but this option could enable the CSP to branch out and expand its operations. For example, recent work on the Surrey Sports Awards with the Children's Trust demonstrated the range of cost reductions that charities can negotiate with local businesses.
- 33.3 This could also incur approximately £50,000 of extra costs per year (see appendix 3). Again some of the negative financial aspects associated with social enterprises could be mitigated by favourable support from SCC (an increased grant &/or maintenance of in-kind support).

**Conclusion:**

34. Surrey has a strong, vibrant CSP with high stakeholder engagement and satisfaction and a dynamic, supportive core team. There is growing demand to deliver new programmes (from national partners), support local residents' needs and deliver a sustainable legacy of more people playing, coaching, officiating and organising sport and physical activity following the 2012 Games.
35. There is further scope to grow the CSP "business" through a growing reputation for quality provision. Surpluses generated from traded activity will support significant social return in the form of services available to vulnerable people. Different operating models may offer opportunities for expanding business and the risks and benefits of each of these will need to be appraised.

36. As the agreed strategic body the CSP can add significant value towards Surrey achieving its strategic objectives within public health, partnership working, supporting vulnerable families and young people whilst increasing the overall level of regular participation in sport and physical activity across Surrey.
37. Options B and C are both a higher financial risk than option A and it is thought that option A would better secure the short to medium term future of the CSP in this financially unstable period. If option A was followed, this would not preclude the CSP choosing options B or C in the future.

#### **Financial and value for money implications**

38. The focus of this report is to initiate a process to examine different operating models for the CSP to deliver the best value for money in securing the future of sport and physical activity development for Surrey's residents.

#### **Equalities Implications**

39. Sport England funding relies on the CSP including a broad range of partners, all being able to benefit equally from the added value that the partnership brings to Surrey.

#### **Risk Management Implications**

40. Undertaking the work proposed in this report will inform the levels of risk for a range of options that the Council may wish to pursue in the future.

#### **Implications for the Council's Priorities**

41. Development of the CSP supports the Council's corporate priorities to increase the health and wellbeing of the people of Surrey as well as to work in partnership, add value and maintain quality of services.

<b>Recommendations:</b>
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42. Members are asked to
  - (a) Note the content of this report.
  - (b) Recommend that the CSP is the recognised strategic representative, advocacy body for Sport and Physical Activity in Surrey.
  - (c) Discuss the governance of the CSP and the delegated powers of the SSB Executive in advance of a paper being presented to Cabinet.
  - (d) Support Option A.

<b>Next steps:</b>
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43. Select Committee to support the recommendations to Cabinet.

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## **Appendix 1: List of organisations consulted on the CSP review**

- Elmbridge Borough Council
- Epsom & Ewell Borough Council
- Fusion Lifestyle
- Guildford Borough Council
- Mole Valley District Council
- National Governing Bodies of Sport / County Associations
- NHS Surrey
- Reed's School
- Reigate & Banstead Borough Council
- Reigate & Redhill YMCA
- Runnymede Borough Council
- Spelthorne Borough Council
- Sport England
- Surrey Chambers of Commerce
- Surrey County Council
- Surrey County Playing Fields Association
- Surrey Heath Borough Council
- Surrey Sports Park
- Surrey Voluntary Action Network
- Surrey Youth Focus
- Tandridge Trust
- Waverley Borough Council
- Woking Association of Voluntary Service
- Woking Borough Council

## Appendix 2: What is the Surrey County Sports Partnership?

The Surrey County Sports Partnership (CSP) is an unincorporated network of organisations covering all of Surrey's local authorities, sports clubs/voluntary groups, schools/FE/HE, sports/leisure facilities, sports governing bodies and health agencies. They are committed to working together to achieve the vision of "a more active and successful sporting county" via their membership of the Surrey Sports Board (SSB) Council and their contribution to delivering mutually beneficial strategic outcomes.

The SSB Council is a stakeholder representative group /forum, meeting four times a year to shape and influence the strategic direction of, and increase participation in, sport and physical activity in the county of Surrey. It also aims to be the voice of sport and physical activity for Surrey on local, regional and national consultative matters. The primary purpose of the SSB Council has been to develop (through stakeholder consultation) the Surrey Sport and Physical Activity Strategy 2011-15, a framework to bring partners together to deliver improvements (through thematic working groups) by achieving four outcomes:

- Participation: Everyone has the opportunity to be active for life;
- People: Strong, sustainable infrastructure is available in every community;
- Places: Sufficient, well-managed facilities meet Surrey's needs;
- Performers: Talented performers are supported.

The new Surrey Sports Board Shadow Executive includes high level individuals from strategic partner agencies and provides interim governance and oversight of the CSP.

Delivery is led by its operational arm, Active Surrey: 20 staff work across the local sporting landscape, pro-actively supporting partners to increase participation in sport and physical activity. It has been successfully adding value to partners since 1999, bringing in new funding, supporting local projects and strategically leading and coordinating developments in areas including school sport, coaching, disability sport, and event delivery.

Via the financial contributions of each funding partner (Surrey's county, borough and district councils and Surrey County Playing Fields Association), Sport England Core Services funding is enabled to be drawn down by the CSP (as a part of SCC) to contribute to agreed shared sports development objectives within the county. Including core and project funding and School Games commissioning, turnover in 2011-12 was £1,004,233 with SCC contributing £24,600. There is currently no "Compact" or "Memorandum of Understanding" covering the CSP's relationship with the funders and its role in the county although service level agreements are in place with all organisations.

Active Surrey also provides national governing bodies of sport (NGBs) and other national organisations a single, efficient and effective point of access to the Surrey sporting and physical activity network through their unique knowledge and established relationships with key local policy and decision-makers. Active Surrey's business is influenced by:

- The needs of stakeholders, identified within the Surrey Sport & Physical Activity Strategy.
- The needs of NGBs, through Sport England's CSP Core Services specification.
- The needs of funders, identified by service level/project management agreements (including major Olympic Legacy programmes funded by Sport England).

Together the Surrey Sports Board Executive, the Surrey Sports Board Council and Active Surrey play a vital role in delivering the CSP's three core functions:

- Strategic coordination so that the efforts of local deliverers are optimised;
- Marketing & communication so that sport is advocated to key decision makers;
- Performance measurement so that progress is clearly tracked.

## Appendix 3: Threats, opportunities and risks identified by the CSP review.

### Threats

- Reduction in the availability of local government public funding.
- A requirement to secure alternative funding streams other than from the public purse to ensure long term sustainability beyond 2017 (current funding end date).
- Local partner involvement in the CSP is very good but not always consistent.
- The CSP hosting arrangement means that it is not always viewed as an independent organisation nor seen as a department of Surrey County Council.
- Performance measurement related to Sport England lottery funding for 2013-17 will spotlight host relationship, board effectiveness and level of strategic influence.
- Statutory changes to organisations involved in improving health and wellbeing may duplicate the CSP's efforts/structures meaning SSB decisions may be ignored.
- Loss of in-kind support and/or hosting arrangements.

### Opportunities

- Creation of a sustainable, impartial CSP to champion and better implement the strategic sporting vision for Surrey.
- Build on a quality service and brand that already generates a significant level of funding.
- Formation of new alliances whilst maintaining and strengthening links with key existing partners, building stronger stakeholder networks.
- More effective and efficient use of public funding to drive an increase in sports participation and to aid delivery at a local level.
- Reduced dependency on traditional funding streams, harnessing new funding pots and free market opportunities.
- Better understanding of the role and position, and therefore involvement, of the CSP in key decision-making of partners at the highest level.
- Ability to attract different type of staff (business/entrepreneurial/charity-minded).
- The raised profile of sport, and its value to deliver against cross-cutting agendas, as a legacy of the London 2012 Olympic and Paralympic Games.
- The strategic direction for local government to become a commissioning body.

### Potential risks of change

- Increased costs of back-office functions (HR, IT, etc).
- Reduced cash flow and financial underwriting.
- Loss of influence with the host and the opportunities to work collaboratively.
- Uncertainty amongst existing staff and funding partners.
- The CSP's profile of being associated with the host (and vice versa) may be lost.
- Costs (time and money) of transitioning into a new operating / governance model.
- Distraction of Director / staff from delivering post-Games legacy.

### Costs of change

If the CSP was independent, costs of services would be around £50,000 per annum depending on the size of the operational team, location and form, plus initial set up costs:

• Office Space:	£10,000 – £25,000 per annum plus business rates
• IT:	£2,000 per annum for data storage
• HR support/advice:	£1,500 - £3,000 per annum
• Legal advice:	£120 per hour
• Payroll:	£600 - £2,000 per annum
• Accountancy/Audit:	£2,500 (non charity) - £5,000 (charity) per annum
• Insurance:	£1,500 - £3,000 per annum
• Pension bond:	£2,500 - £4,000 per annum (actual level TBC)
• Set up costs:	Incorporation costs: £5,000 - £12,000 IT equipment (if not transferred from SCC): £15,000

## Appendix 4: Pros and cons of hosting versus independence

NB this is a national picture provided by Sport England so not all are relevant to Surrey.

### Hosted CSPs - Pros

- The host takes on the legal liability for the CSP.
- The CSP may gain additional profile through association with their host.
- Working within a larger team can provide a collaborative environment for project delivery.
- The host may offer services and accommodation at reduced rate/free.
- The CSP does not need to use time/resource on support services (HR, banking, IT, legal etc).
- Financial stability – including cash flow.
- The host could provide a mechanism through which the CSP can commission services.
- Favourable conditions of employment for all staff, e.g LGPS pensions.
- Has the ability to generate income as a public, not-for-profit body.

### Hosted CSPs - Cons

- The CSP and host may be viewed as the same organisation by partners (both internal and external to the host), which can be confusing/unhelpful and reduce the CSPs profile/identity.
- Hosting by one of the local authorities in the county area may alienate some of the others.
- The CSP may become diverted into delivering against the host's strategies and priorities.
- The host may take sole credit for work done by the CSP.
- The host's needs to make savings may impact on the CSP, e.g. pay-cuts /freezes.
- Policies and procedures of the host may slow decision making and other processes.
- Recruitment of appropriate staff may be difficult/slow due to the host's HR requirements.
- Financial reporting can be difficult/delayed due to the complexities of the host's systems.
- The CSP is susceptible to political changes at their host.
- Email addresses can give the impression that CSP staff are part of the host organisation.
- The link with the (statutory body) host may limit the funding pots which the CSP can access.
- The CSP may find itself a low priority for the host when seeking services and support.

### Independent CSPs - Pros

- The CSP can present itself to partners as an independent organisation.
- A fully independent business can develop products and services, and generate income.
- The ability to demonstrate that the CSP is part of the voluntary/charitable sector.
- Easier to access grant funding (only if it is a not-for-profit organisation), bid for contracts and tenders and enter into legal agreements.
- The CSP can employ staff and contract professional services on its own terms.
- The CSP can be flexible and react quickly when necessary.
- The CSP may be able to accrue interest on financial reserves.
- An opportunity to revise the structure and membership of the Board.

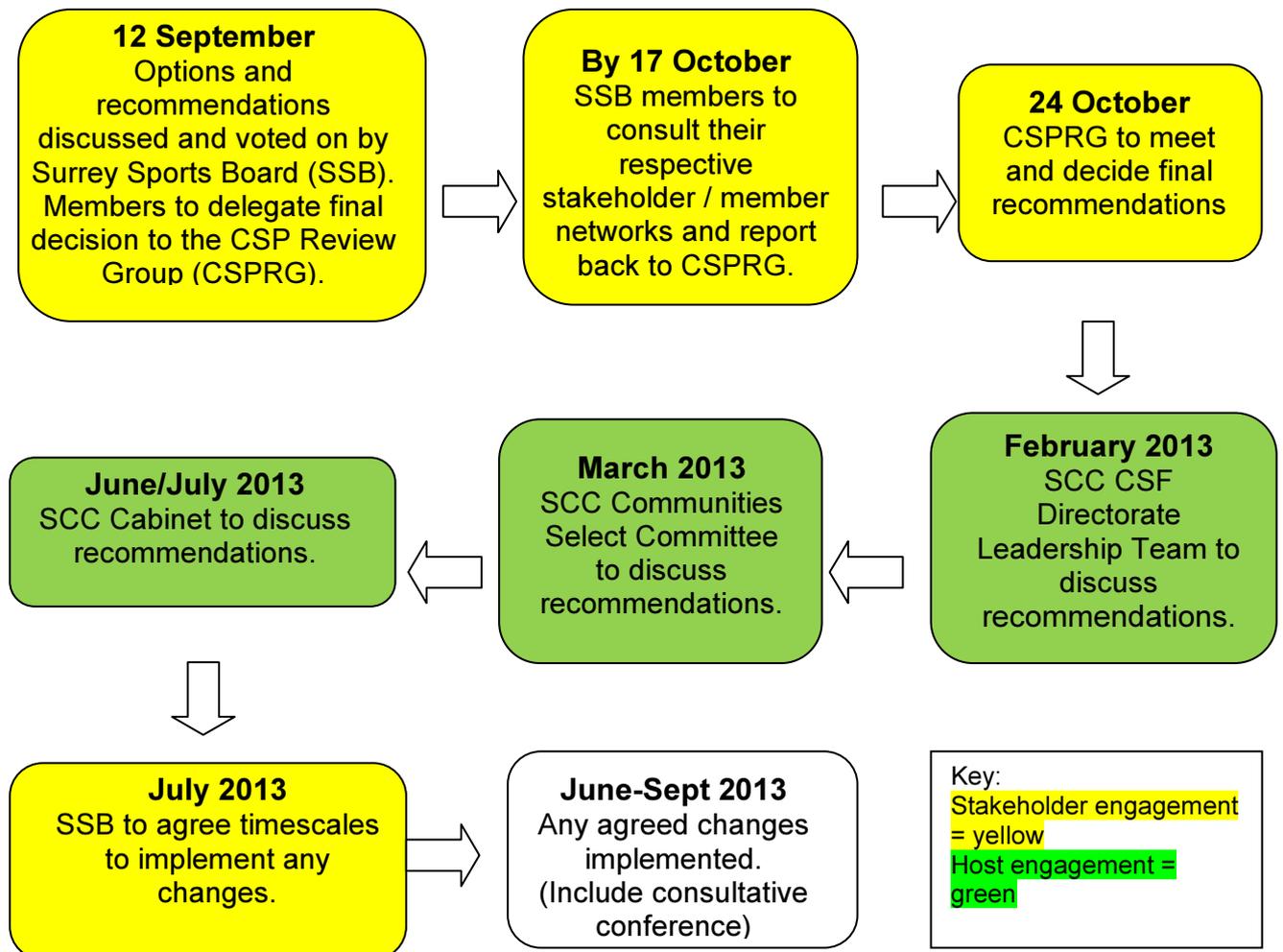
### Independent CSPs - Cons

- Loss of security, including financial underwriting, particularly with respect to cash flow.
- A potential significant increase in costs for accommodation and for services.
- On transfer, TUPE may add considerable costs associated with pension/benefit packages.
- Loss of influence with the host organisation, and the opportunities to work collaboratively.
- Links to departments within the former host may be lost/made more difficult.
- Time/resources needed to operate the "business" properly, including financial management.
- New policies and procedures will need to be developed, rather than adopting the host's.
- Ultimate liability rests with the CSP.
- The skill set of the Board and the CSP leadership team may need to change to take on the challenges of running a small business.
- The CSP may be perceived as a threat by other organisations.

## Appendix 5: Implementation Timetable

The Surrey Sports Board Council members have agreed the following implementation timetable. The CSP Review Group (now the Shadow Executive) has been delegated authority to make final recommendations to Surrey County Council upon receipt of the stakeholder feedback.

**Figure 3: Decision and implementation timetable**



## Appendix 6: Delegations of Authority in the SSB Shadow Executive's Terms of Reference

### 15. Delegations of authority – Financial

15.1 The host authority financial procedures shall be adhered to at all times.

15.2 Delegated authority from the Shadow Executive is required for the following:

- Funding agreements with partners.
- Approval of applying for and accepting external grant and other awards.
- Authority to enter into a spending commitment on grants, goods and services based on existing / approved budget plans.

	<b>Funding Agreements with Partners</b>	<b>Goods and Services</b>	<b>Accepting of Grants and other external funding</b>
<b>Shadow Executive</b>	Over £100,000	Over £100,000	Over £100,000
<b>All of: Chair of Shadow Executive / Host Authority Officer / Partnership Director</b>	Up to £100,000	Up to £100,000	Up to £100,000
<b>Partnership Director</b>	Up to £5,000	Up to £5,000	Up to £5,000

### 16. Delegations of authority – Non-Financial

16.1 The Shadow Executive will progressively move towards the following delegated authority:

<b>SUBJECT</b>	<b>RESERVED TO THE SHADOW EXECUTIVE</b>	<b>DELEGATED TO RESPONSIBILITY OF THE DIRECTOR</b>
<b>Corporate Governance</b>	Consideration and approval of the Governance framework, including Principles of Good Governance, Governance Document, Delegated Powers, and Hosting Agreement.	Responsibility for all matters of organisational structure below the level of Director. Able to delegate authority to other staff.
<b>Strategy</b>	Determining the overall strategic direction of the Partnership. Consideration and approval of the Strategic Plan and subsequent annual Operational Plans.	Preparation of the Partnership Strategic Plan for consideration and approval of the Shadow Executive, ensuring early consultation with the Shadow Executive.
	Consideration and support for forming formal strategic partnerships with other organisations.	Recommendations to the Shadow Executive for formal strategic partnerships with other organisations.
<b>Functions, powers and discretions (legal and administrative)</b>	Strategic principles governing operational policy relating to the exercise of the Partnership's function, powers and discretions.	Responsibility for exercise of all the Partnership's legal and administrative powers and discretions in furtherance of statutory functions, subject to escalating any high risk/high impact issues in line with the risk management strategy.
<b>Corporate Plans and Budgets</b>	Consideration and approval of the Partnership's Plans and Annual Budgets.	Preparation of Corporate Plans and Annual Budgets in line with the Partnership's Strategic Plan, ensuring early consultation with the Shadow Executive.
<b>Annual Report &amp; Accounts</b>	Approval of Annual Report and accounts, in conjunction with the	Drawing up Annual Report for Shadow Executive approval.

	Accounting Officer. Offering scrutiny to the budgets on a quarterly basis.	Drawing up Annual Accounts for Shadow Executive approval. Drawing up quarterly budget reports to the Shadow Executive.
<b>Performance Management</b>	Determination and approval of arrangements for performance management and consideration of regular monitoring reports.	To keep the Shadow Executive informed of progress in achieving performance objectives and to advise of any significant variance from the approved Operating Plans and Budget.
		To keep the Shadow Executive informed of any significant issues in the operation of the Partnership.
<b>Risk Management</b>	Approval of the Risk Management Strategy and consideration of reports.	To maintain the risk management systems and to provide the Shadow Executive with assurance on its ongoing effectiveness. To advise the Shadow Executive as to material changes thereto. Escalation of issues for consideration by the Shadow Executive in accordance with the Risk Management Strategy.
<b>HR Issues</b>	Appointment of the Partnership Director.	The structure of the Management Team, subject to Shadow Executive approval.
	Approval of significant changes to overall staff structure/ employment.	All appointments and other HR issues.
<b>Communication Issues</b>	Approval of communication plans in relation to matters of major public, political or reputation significance.	Drawing up and implementation of communication plan. Providing quotes for press releases.
		Identifications of significant issues to be considered by the Shadow Exec.
<b>Surrey Sports Board Shadow Executive Administration</b>	The cycle of Shadow Executive meetings, the composition of Shadow Executive agendas and approval of minutes of Shadow Executive meetings.	Ensure the Shadow Executive can function properly through provision of an effective Board Secretariat. To make recommendations for the cycle of Shadow Executive meetings, and for the composition of agendas for meetings. To prepare draft minutes and maintain efficient overall arrangements for the administration of the Shadow Executive. To provide necessary support and resources for members to maintain and develop their skills and knowledge.

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