



## **Rationale**

In 2016 Sport England launched its Code for Sport Governance which set out levels of transparency, diversity and inclusion, accountability and integrity that are required from organisations providing sport and physical activity opportunities.

In 2018 The FA set up a working group to adapt the Sport England code so that it was refined specifically for football and County Football Associations, to ensure that football set the highest possible governance standards of any sport in England and to best meet the modern-day challenges in our game.

The code focuses on five key principles which are:

- Structure
- People
- Communications
- Standards & Conduct
- Processes & Processes

The role of The Cumberland County FA Board of Directors is to govern the affairs of the Association in the best interests of its members and the game within the county. It is therefore vital that we ensure that our governance is of a 'gold standard', for us to best represent and deliver outcomes for football within Cumberland.

In order to best manage risk, improve service and performance and ultimately to drive the long-term organisational and more importantly success within the game, we need a governance structure that ensures that we have a range of appropriate skills and diverse thinking within the organisation, which is underpinned by clear, effective decision-making structures.

As well as ensuring compliance with set standards of governance and by proxy with UK Sport/Sport England Code the new code would also see the County working towards a model which has:

- Greater independence upon the CFA Board – including the recruitment of an Independent Chair and a Senior Independent Non-Executive Director (INED)
- Term Limits for Directors
- Consideration around and compliance with diversity targets for the Board
- Revised Committee/Advisory Group Structure – including a nominations committee, audit & risk, Youth Council/Committee, and Inclusion Advisory Group as Mandatory.

Cumberland FA undertook a comprehensive review of its corporate governance in 2010, which included the inclusion of term-based limits and independent appointed directors, as well as the removal of The CFA Council, ensuring that decisions were made by The Board of Directors. This work meant that we were well advanced in comparison to other County FA's and therefore had not prioritised becoming fully code compliant, instead wishing to make slow progress towards it and instead focusing our time and resource on the recovery of football following the pandemic and addressing the subsequent challenges facing the game including the cost of living crisis.



However, earlier this season The FA communicated that all County FAs would need to be code compliant by the end of the 2024-25 season.

This means that the CFA Board of Directors are now expediting this work and as a direct result wish to propose changes to the company's Articles of Association, by adopting The FA model articles, to ensure that we make substantial progress towards meeting the 63 requirements.

The following provides a summary of the main proposed amendments and required changes to the current articles.

Code Requirement	Model Articles Provision	Extract from Model Articles	CFA Articles Provision	Required changes
<b>Board Conflicts of Interest</b>	Para 5	<b>5. Conflicts of Interest</b> 5.1 A director must declare to the other directors any situation of which they are aware of, in which they have, or could have, a direct or indirect interest that conflicts, or might conflict, with the interests of the Association unless the situation cannot reasonably be regarded as likely to give rise to a conflict of interest	54	Wording Change (provision already in place)
<b>Role of the Board</b> The Board of the Association shall: (a) be the ultimate decision-making body and accordingly exercise all of the powers of the Association	Para 6	<b>6. Directors' General Authority</b> 6.1 The directors are responsible for the management of the Association's business, for which purpose they may exercise all the powers of the Association and do on behalf of the Association all such acts as may be done by the Association as are not by statutes or by the Articles required to be done by the Association in a general meeting.	34	Wording change only (provision already in place)



<b>Audit Committee</b>	Para 8.3	8.3 As a minimum the directors shall maintain an equality committee and any other committees required by the Rules from time to time. The directors shall also maintain an audit committee and a nominations committee unless the directors consider it appropriate for the directors to act in place of such committees, as well as such other committees as the directors consider necessary to support them.	48	Change from Finance to Audit Committee
<b>Nomination Committee</b>	Para 8.3	8.3 As a minimum the directors shall maintain an equality committee and any other committees required by the Rules from time to time. The directors shall also maintain an audit committee and a nominations committee unless the directors consider it appropriate for the directors to act in place of such committees, as well as such other committees as the directors consider necessary to support them.	48	Change from Appointments Panel to Nominations Committee
<b>Equality, Inclusion and Diversity Committee</b>	Para 8.3	8.3 As a minimum the directors shall maintain an equality committee and any other committees required by the Rules from time to time. The directors shall also maintain an audit committee and a nominations committee unless the directors consider it appropriate for the directors to act in place of such committees, as well as such other committees as the directors consider necessary to support them.	48	Addition of Equality Committee as a required committee



<b>Other Board Committees</b>	Para 8.3	8.3 As a minimum the directors shall maintain an equality committee and any other committees required by the Rules from time to time. The directors shall also maintain an audit committee and a nominations committee unless the directors consider it appropriate for the directors to act in place of such committees, as well as such other committees as the directors consider necessary to support them.	48	Wording Change (provision already in place)
<b>Quorum for Meetings and Voting</b>	Para 10.1	<b>10. Quorum for Meetings and Voting</b> 10.1 The quorum necessary for the transaction of business of the directors may be fixed from time to time by the directors and, unless so fixed at any other number, shall be two.	34	Quorum reduced from not less than 4 to 2
<b>Board Chair Appointment</b>	Para 13	<b>13. Chairing of Directors' Meetings</b> 13.1 The members may appoint a director to chair directors' meetings (the "chair"). The chair shall not be the chief executive officer of the Association (or any equivalent office holder). 13.2 The chair shall immediately cease to hold such appointment upon ceasing to be a director. 13.3 If the chair is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.	60	Additional wording and clear definition and terms for the role of Chair



<b>Separation of Roles of CEO and Chair</b>	Para 13.1	13.1 The members may appoint a director to chair directors' meetings (the "chair"). The chair shall not be the chief executive officer of the Association (or any equivalent office holder).	60	Additional wording and clear definition that CEO cannot act as Chair
<b>Size of Board</b>	Para 15.1	<b>15. Number of Directors</b> 15.1 The number of directors shall be subject to a maximum of 12.	36	Increase maximum number of Directors from 9 to 12
<b>Board Independent Non-Executive Directors</b>	Para 15.2	15. Number of Directors  15.1 The number of directors shall be subject to a maximum of 12.  15.2 No less than one third of the directors from time to time shall be independent.		Make up on Board to change to include clear Independent Members  Change of wording from appointed to independent Directors
<b>Appointed Directors</b>	Para 15.3	<b>15. Number of Directors</b>  15.2 No less than one third of the directors from time to time shall be independent.	35	Make up on Board to change to include clear Independent Members  Change of wording from appointed to independent Directors
<b>Board Co-option</b>	Para 16.1.2	16.1.2 Such other persons as the directors may from time to time co-opt to the board of directors on a temporary basis, provided that any co-opted director shall not be entitled to hold office for a period of longer than one year save in exceptional		Reduction of term time from 2 to 1 year (provision already in place)



		circumstances documented by the directors;		
<b>Appointment of Senior Independent Director</b>	Para 16.4	16.4 The directors shall nominate an independent non-executive director to act as the senior independent director. The senior independent director shall act as a sounding board for the chair, serve as an intermediary for the other directors when necessary, act as an alternative contact for members of council if the normal channels of communication to the directors through the chair or the Association's executive team fail to resolve matters or where the use of such channels may be inappropriate, and lead on the process of appraising the performance of the chair.		Addition  New Position
<b>Board Term Limits</b>	Para 17.1 and 17.4	<b>17. Term of Office</b> 17.1 At the third annual general meeting following the date of their appointment, an elected director shall retire from office and may offer themselves for re-appointment by the members. Elected directors shall not be entitled to offer themselves for re-appointment at more than two annual general meetings at which they are eligible for re-appointment in accordance with this Article, provided that:	38-41	Current process is 3-year terms but without limit.  This would see Directors having a maximum term time of 9 years  Independent Members terms brought in line with other Directors (currently maximum of 3 x 2 year terms)



<b>Exceptions to Board Term Limits</b>	Para 17.1.1 and 17.1.2	<p>17.1.1 An elected director may stand for further re-election and serve for a period of up to twelve years from the date of their first appointment as a director if they are appointed as chairman or appointed to the Football Association Council during their term of office as a director; and</p> <p>17.1.2 The board may in exceptional circumstances permit an elected director to hold office for a period up to a further year beyond the date on which they would otherwise have retired without being eligible for re-appointment in accordance with this Article.</p>	38-41	<p>Additional Wording that allows Director who have served as Chair and/or FA Rep being eligible for an additional 3 years (max 12)</p> <p>Additional wording to allow Board power to extend a Directors term by a year in exceptional circumstances</p>
<b>Board Term Limits – Elapsed Time Before Re-standing</b>	Para 17.3	17.3 If a director retires pursuant to Article 17.1 [or 17.2], they shall not be eligible for re-appointment to the board until a period of four years has passed from the date of their retirement.	42-44	Addition to make provisions that any Director who retires from the Board cannot be re-appointed for set period (4 years)
<b>Board Member Declaration of Good Character</b>	Para 18.8	18.8 If they no longer comply with a declaration of good character given by the director upon taking office or the Association's directors' code from time to time;		Additional Content
<b>Board Code of Conduct</b>	Para 18.8	18.8 If they no longer comply with a declaration of good character given by the director upon taking office or the Association's directors' code from time to time;		Additional Content





<b>Ex-officio Board Appointments (e.g. CEO)</b>	Para 18.12	18.12 Where they are an ex officio director, if they cease to hold the office by which they became entitled to be a director.	72	Additional wording to make it clear that CEO Director position is ex-officio
<b>Quorum for General Meeting</b>	Para 27	<b>Quorum for General Meeting</b> 27.1 If the Association only has one member that member shall be a quorum. In any other case two members entitled to vote upon the business to be transacted or one-tenth of the total number of such persons for the time being, whichever is the greater, shall be a quorum. A proxy or an authorised representative of a member shall count for the purposes of the quorum. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.	14	Reduction for a quorum for business to be transacted at a general meeting