



## **SPECIAL GENERAL MEETING OF SUSSEX CRICKET LIMITED** **Amendments to Sussex Cricket Limited Rules**

**[Prepared by Bob Warren, Chairman of Board of Directors]**

### **PURPOSE OF PAPER**

I have produced this paper for the benefit of Sussex Cricket Limited Members in advance of the Special General Meeting, which will be held on **Thursday, 29<sup>th</sup> November 2018**.

The purpose is to provide Members with information about the reasons for seeking their support for the amendments that are proposed by the Board of Directors.

### **BACKGROUND**

Sussex Cricket Limited (SCL) was established on 1<sup>st</sup> November 2015, through the merger of Sussex County Cricket Club, Sussex Cricket Board and Sussex Cricket in the Community Trust. SCL is a Community Benefits Society registered under the Co-operative and Community Benefit Societies Act 2014, the Rules of which were approved by the Financial Conduct Authority.

At the same time, a wholly owned subsidiary of SCL was formed titled Sussex Cricket Foundation (SCF), which is a charity registered with the Charity Commission.

### **REASONS FOR AMENDMENTS TO THE RULES**

When Members approved the Rules of SCL in 2015, it was acknowledged that they should be reviewed after three years, to consider their continuing appropriateness and to reflect any changes in legislation and regulation.

The Board of Directors has undertaken such a review and has presented 10 resolutions for Members' consideration at the Special General Meeting. In doing so, the Board has taken into account the following matters:

#### **1. Sport England *Code of Sports Governance***

The Sport England *Code of Sports Governance 2017* sets out the levels of transparency, accountability and financial integrity that will be required from those who ask for Government and National Lottery funding.

The Code expects the highest standards of good governance from organisations (such as SCL) requesting funding, including:

- Increased skills and diversity in decision-making, with a target of at least 30 per cent gender diversity on boards;
- Greater transparency, for example publishing more information on the structure, strategy and financial position of the organisation;
- Constitutional arrangements that give boards the prime role in decision-making.



It is clear that “diversity” shall encompass age, gender, ethnicity and disability, as well as skills and experience, a range of which can never be guaranteed through a democratic process of elections. Accordingly, the Board has proposed that the number of Co-opted Directors shall be increased in number from three to four.

With the Sport England Code in mind, the Board has proposed that the SCL Rules be changed to allow greater potential for more diversity in the Board’s membership. It is likely that future funding from the ECB under the County Partnership Agreement (CPA) will require counties to be Sport England code compliant.

## **2. Size of Board of Directors**

At present, the Board is constituted as follows:

- Six Directors elected by the Individual Members (including Life Members) of SCL;
- Four Directors elected by the Affiliated Clubs;
- Up to three Co-opted Directors;
- Up to three Executive Directors (including the Chief Executive).

The 10 Elected Directors must stand for re-election after 3 years and can only serve as a Board Director for a maximum of three such terms. Once the nine-year period has been completed, the Board Director concerned cannot stand again for election until there has been a gap of one year.

The Co-opted Directors are appointed by the Board on an annual basis, there being only one such Director at present.

The Chief Executive is the only Executive Director at present.

It is considered that a Board with potentially 16 directors is too unwieldy and should be reduced to a maximum of 14\*. The Board has made a proposal to achieve this, as follows:

- Four Directors elected by the Individual Members;
- Two Directors elected by the Affiliated Clubs;
- Four Co-opted Directors, appointed by the Board;
- Up to three Executive Directors\*;
- A Honorary Treasurer, appointed by the Board.

*[\* Initially, it is envisaged that the Chief Executive will be the only Executive Board Director so that the size shall be restricted to 12]*

The reduction timetable in respect of the Directors elected by the affiliated clubs is still to be discussed and agreed. It is acknowledged that reducing this representation to two means that in one year in every three-year cycle there will not be a Director from the affiliated clubs standing for re-election and there would not be a vacancy for anyone who is not already a Director to be nominated for election.

## **3. Greater Continuity of Leadership of the Board**

Presently, the Chairman and Vice Chairman are both elected annually by the Board, at its first meeting after the AGM, by a majority of the **Elected** Board Directors.



The Treasurer (who is currently an Elected Director) is also elected annually, at the first Board meeting after the AGM, by a majority of the **Elected** Board Directors.

Whilst the situation with the Vice Chairman should remain as now, the Board has proposed that the Chairman should be elected for up to three years, as should the Honorary Treasurer, in order to provide greater continuity in the leadership of the Board and in financial planning. In both cases, they shall be eligible for re-election for up to three years.

The Board of Directors has also proposed that, in order to accommodate changing attitudes, the titles of “Chairman” and “Vice Chairman” should be replaced respectively by the titles “Chair” and “Vice Chair”.

The Chair should ideally come from the Elected Directors; however, the Board has agreed that, if it is felt by the Board that there is not a suitable candidate amongst the Elected Directors, it may elect either a Co-opted Director as Chair or, in extreme situations, appoint a non-Board Director as a temporary Chair.

#### **4. Assessment of Suitability of Nominated Candidates as Directors**

In the Sport England *Code of Sports Governance*, it is recommended that all nominated candidates for Board Director posts should be subject to review as to whether they are “fit and proper persons” to serve.

The SCL Board of Directors has accepted this advice and has established a *Nominations & Elections Committee* (NEC), as a sub committee of the Board.

Thus, the NEC shall assess all nominated candidates for both SCL Board Director positions and for Trustees of the SCF. The NEC shall also undertake an annual review of Board Directors’ performances and shall assist the Chair of the SCF in his/her annual review of the SCF Trustees’ performances.

John Abbott, our current President, will chair the NEC initially and be joined by two SCL Board Directors and two other persons who are likely to come from our pool of Vice-Presidents.

#### **5. President of Sussex Cricket and Vice Presidents**

SCL Rule 8 is concerned with the election of the Sussex Cricket President and Vice Presidents. The President is expected to serve for two years but is subject to annual election. The Vice Presidents are subject to re-election annually.

The Rule refers to this prestigious group as “Officers” of the Organisation, whereas the Board of Directors considers the “Officers” to be the SCL Chair, Vice Chair & Honorary Treasurer. Accordingly, the Board proposes that the heading of Rule 8 be changed to “President and Vice Presidents”.

It shall be noted that the President is entitled to attend Board meetings, but not vote. Vice-Presidents do not have the right to attend Board meetings.

#### **6. Age of Directors**

Rules 7.10.1 & 7.11.1 state that candidates nominated for election must be aged 18 years or older. The Board of Directors has proposed that no Elected Board Director should serve on the SCL Board



once he or she has reached the age of 75 years. This would mean that any person wishing to stand for election to the SCL Board would have to be no older than 73 years.

This proposal is based on the premise that it is recognised that there might be a situation where the Board needs specific advice and that the only advice is available from someone over the age of 75 years. If this was to occur, the Board shall be permitted to co-opt such a person for the period that the advice is required.

#### **7. Quorum for Annual General Meetings**

Rule 13.5 states that fifty Members shall constitute a quorum at an Annual General Meeting. Given the decreasing numbers of Members and Life Members, the Board of Directors has proposed that, in future, forty paid up members shall constitute a quorum at such an Annual General Meeting to ensure the meeting can proceed where possible with minimal disruption.

#### **SUMMARY**

Your Board of Directors believes that given the challenges we will face over the next few years, this is the time to streamline the Board whilst allowing us to bring on to the Board skills and diverse talents that we do not have currently, but which we consider we will need in the near future.

On the basis of a 12 person Board and the Chairman coming from the elected members, then the major decisions on the Board will be in the control of the elected members.

I hope all SCL Members will support the amendments that have been proposed by the Board of Directors and that the above points will enable Members to understand the reasons for these changes.

Bob Warren  
Chairman, Sussex Cricket Limited  
October 2018

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