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**Report of the Chief Legal Services Officer**

**Executive Board**

**Date: 9 February 2007**

**Subject: Governance Arrangements for Leeds Sports Trust**

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**Electoral wards affected:**

**Specific implications for:**

Equality and Diversity

Community Cohesion

Narrowing the gap

Eligible for call In

Not eligible for call in  
(details contained in the report)

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**1.0 PURPOSE OF THIS REPORT**

The purpose of this report is to draw to the attention of Executive Board the present position with the regard to the governance arrangements for the proposed Leeds Sports Trust (the Trust) and to consider suitable arrangements for the appointment of trustees, including the Chair.

**2.0 BACKGROUND INFORMATION**

2.1 At its meeting in March 2006, Executive Board considered a Report of the Director of Learning and Leisure on the proposed development of a Not for Profit Sports Trust to manage the Sport and Active Recreation Service, and Resolved:-

- (a) That approval be given in principle to the development of a Non Profit Distributing Organisation for the Sport and Active Recreation Service.
- (b) That all savings accruing from the establishment of the Trust be reinvested back into the Trust and the city's Sports Centres to help maintain and improve service delivery.
- (c) That a project management board be established to oversee the inception of the project and the subsequent project development requirements
- (d) That reports be brought back to the Board indicating progress and seeking necessary approvals.

- 2.2 In accordance with the decision of the Executive Board a project management board was established. The Board is comprised of a Project Sponsor who chairs the Board, a Project Executive, representatives from Legal and Democratic Services and Corporate Services to provide Project Assurance and Advice, independent representatives from Leeds City Council to provide Project Assurance and Advice and representatives from Learning and Leisure to provide advice.
- 2.3 The Project Board provides overall direction and management of the project, although the decision-making conforms with the Council's Scheme of delegation and is exercised by individual officers or Executive Board.
- 2.4 The Project Sponsor's role is to ensure that the project remains focused on achieving its objectives and that the benefits, as outlined in the Business Case, can still be achieved. Ownership of the Business Case (the justification for the project) and funding of the project are accountabilities of the Project Sponsor and they have the responsibility to ensure that the project is technically and financially compliant and that the project is identified in the Council's Three Year Service and Budget Plan/Strategic Management Plan. The Project Sponsor chairs Project Board meetings.
- 2.5 The Project Executive is responsible for the project team and for reporting and escalating issues to the Project Board, with support from the Project Manager. The Project Executive is also responsible for the project within the tolerances set by the Project Board.
- 2.6 John Davies, Director of Learning and Leisure was appointed as Project Sponsor and Chair of the Project Board and he continues to operate in that role. He is, however, to retire from the Council at the end of March 2007 and so will no longer be able to fulfill that role. Doug Meeson has been appointed as Project Sponsor and Chair of the Project Board in replacement.
- 2.7 The current Head of Sport and Active Recreation within Learning Leisure was appointed as Project Executive and continues to occupy that role.
- 2.8 It is proposed that the Sports Trust will come into full operation on 1 April 2008 although the Company is likely to be created as a legal entity some time in the summer of 2007. It is therefore now necessary to appoint trustees who will form a shadow trust up until the time the trust is legally created and then to act as trustees.
- 2.9 Proposals to-date have been for a Trust Board comprised of 12 members, namely 2 nominated by LCC, 1 each from Health and Education sectors, 1 from the Trust's staff and 7 community representatives (who will have appropriate business, financial, human resources or other skills enabling them to carry out this role). It is now thought that a Board of 11 members might be more appropriate which would be created by reducing the number of community representatives to 6. Preparations are now being made to place advertisements to recruit the trustees.
- 2.11 The most recent update Report was presented to Executive Board at its meeting in October 2006 when the Board resolved that the Trust should take the form of a charitable company limited by guarantee with 19.9% Leeds City Council representation. That Report recognised the need for a very clear separation of roles by March 2007 to ensure there are clear lines of responsibility/accountability for both the emerging Trust and the council.

### **3.0 MATTERS FOR RESOLUTION**

- 3.1 A Panel needs to be created to undertake the recruitment of the Trustees. There would be clear benefits if an Interim Chair could be appointed to lead that recruitment exercise. It is therefore recommended that a Chair be appointed to serve from the date of the creation of the Trust until its first AGM at which time the Trust would be in a position to select its own Chair.
- 3.2 The Council will appoint two members of the Trust and they can be appointed without delay and this would enable one or both of them to participate in the recruitment process. The provisions of the Constitution provide that these appointments would be made by Member Management Committee.
- 3.3 There has been discussion as to whether the Trustees should receive payment for carrying out their role as Trustee. The benefits of such an approach would be that offering some compensatory payment might attract a wider range of candidate. The Charity Commission have issued guidance on the question of Payment of Charity Trustees and the Board have been supplied separately with a copy of that guidance. A Checklist has also been produced which is attached at Appendix 1 of this Report. It is suggested that in the light of the guidance issued it would not be advisable to offer payment to the Trustees at this stage.

### **4.0 LEGAL AND RESOURCE IMPLICATIONS**

- 4.1 There are no particular legal implications although there would be resource implications if it were decided to offer payment to any or all of the trustees.

### **5.0 RECOMMENDATIONS**

Executive Board are asked;

- 5.1 to appoint a Chair to act as Chair of the Shadow Trust and thereafter as Chair of the Trust until its first Annual General Meeting;
- 5.2 note the intention not to offer payment to the trustees.