



## Report of the Director of Resources

**Report to:** Executive Board

**Date:** 1st APRIL 2009

**Subject:** MEMBERS IMPROVEMENTS IN THE COMMUNITY & ENVIRONMENT (MICE) AND WARD BASED INITIATIVE (WBI) SCHEMES

**Electoral Wards Affected:**  
City Wide

Ward Members consulted (referred to in report)

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

## Executive Summary

1. The Capital Programme approved by Council on 25<sup>th</sup> February 2009 made provision for an additional £10,000 per ward and this report seeks authorisation for this expenditure. The report also seeks approval to extend the scope of the WBI scheme to allow grant awards to voluntary organisations to reduce the running costs of their premises through capital investment.
2. Following consideration at a recent Corporate Governance Board, this report, in paragraph 4.6, makes proposals for changes to the applications procedure of the MICE scheme to reflect the requirements of the Members' Code of Conduct. This includes publicising the MICE scheme on the internet to ensure that ward Members are not only provided with potential submissions from organisations they are connected with.

### 1.0 Purpose Of This Report

- 1.1 This purpose of this report is to seek approval to an updated Ward Based Initiative scheme which allows elected members to sponsor capital projects within their respective wards in the form of grants to voluntary organisations, and to give authority to spend for the scheme of £330,000. The report also seeks approval to revised guidance on the MICE scheme following consideration of the scheme at Corporate Governance Board in January 2009.

## **2.0 Background Information**

- 2.1 The WBI scheme allows elected members to sponsor locally determined capital projects within their wards and detailed operating guidance is in place for the scheme.
- 2.2 The February 2008 capital programme made provision of £990,000 (£10,000 for each elected member) for Ward Based Initiatives, commencing in 2008/09 and in February 2009, a further £10,000 per Ward has been provided for.
- 2.3 The MICE scheme has been operating for a number of years and detailed operating guidance is in place for the scheme. The guidance has recently been reviewed following consideration of the scheme by the Corporate Governance Board specifically in relation to potential conduct issues.

## **3.0 Main Issues**

### **Ward Based Initiatives**

- 3.1 The operating guidance for the current WBI scheme was approved at Executive Board in June 2008 and currently elected members can only sponsor capital projects within their Wards where the expenditure relates to Council assets.
- 3.2 Voluntary organisations within communities can often play a big part in supporting the Council's service provision. In recognition of this and in view of the current economic climate, specifically the cost of fuel, it is proposed to extend the WBI scheme to allow grants to voluntary organisations for works to their premises that will result in reduced running costs. New operating guidance has been drawn up and is attached at Appendix A. The main features of the WBI scheme are set out below:
- a) projects these must fall within the definition of capital expenditure as set out in the Capital Finance Regulations.
  - b) schemes should generally result in no additional revenue costs for the Council;
  - c) joint sponsorship of projects can be made with other ward members.
  - d) it is essential that proposals complement existing departmental service plans and strategies and as such should be fully discussed with the Head of Service or a nominated officer. The guidance includes a contact list showing areas of responsibility (see Guidance Notes Appendix A).
  - e) external organisations in receipt of grant awards will be required to enter into a legal agreement with the Council to protect the Council's investment in future. Legal requirements will be scaled dependant on the level of Council investment.
  - f) A full set of Guidance Notes is attached at Appendix A. These give comprehensive directions on the scheme eligibility and operational procedures.
- 3.3 In support of the sustainability agenda, members are encouraged to consider schemes which contribute to environmental efficiency. To supplement the WBI funding, an environmental efficiency reserve is available to match fund projects which meet certain criteria. The guidance notes for Councillors explain how projects should be initiated.

- 3.4 Executive Board authorised expenditure of £990,000 in June 2008 for WBI. This report seeks authorisation for the additional £330,000 included within the new capital programme. All approved WBI schemes will form part of the Council's overall capital programme and will be subject to the same checks and processes that apply to all capital schemes.

#### **4.0 Implications for Council Policy and Governance**

##### **Members Improvements in the Community and Environment**

- 4.1 According to the Members' Code of Conduct, Members have a personal interest in any business of the Council where it relates to or is likely to affect:
- a) An interest that they must register; or
  - b) An interest that is not on their register, but where the well-being or financial position of the Member, members of their family or people with whom they have a close association, is likely to be affected by the business more than it would affect the majority of inhabitants of the ward affected by the decision.
- 4.2 Their personal interest will also be a prejudicial interest in a matter if all of the following conditions were met:
- a) The matter does not fall within one of the exempt categories;
  - b) The matter affects the relevant financial interests or relates to a licensing or regulatory matter; and
  - c) A member of the public, who knows the relevant facts, would reasonably think the Member's personal interest is so significant that it is likely to prejudice their judgement of the public interest.
- 4.3 It is likely therefore that any submission for MICE money in connection with an organisation with whom the member has a relationship (for example, as an employee, a member of a management board or a trustee of a local charity) is likely to be capable of being prejudicial as well as personal as a grant application clearly affects the financial position of the organisation. Whilst under the MICE scheme the Member is not making the final grant decision and is only making a proposal to officers, they must still ensure that they are not seen to be improperly influencing the decision, as this would breach paragraph 12(1)(c) of the Members' Code of Conduct.
- 4.4 The Standards Board for England define the term 'improperly influencing a decision' as using your position or attempting to use your position improperly to further your own interests in a way that is not open to ordinary members of the public. As the ability to make submissions for MICE money is only open to elected Members, making a submission when you have a prejudicial interest could be interpreted as improper influence.
- 4.5 The Standards Board advise Members with prejudicial interest that they can still influence decisions, without breaching this section of the Code of Conduct, in the following ways:
- a) by making written representations in their private capacity, to officers
  - b) by using a professional representative to make applications on their behalf
  - c) by arranging for another Member of the Council to represent the views of their constituents on matters in which they have a prejudicial interest.

- 4.6 In order to ensure that the application process has due regard for the Members' Code of Conduct, the following changes are proposed:
- a) the application forms for grant awards be amended to provide Members with the opportunity to explain whether they have any connection with the organisation;
  - b) where Members have a prejudicial interest in a MICE application, they can ask their ward colleagues to apply for the grant on the organisations behalf;
  - c) the guidance notes provided to Members on making applications for funding from the MICE scheme will be updated accordingly; and
  - d) the availability of MICE grants will be publicised on the internet with details of how to apply, to ensure that ward Members are not only provided with potential submissions from organisations they are connected with.
- 4.7 The guidance notes on the MICE scheme show that there are strict financial and legal controls in place to ensure that grants are provided to appropriate projects and that grants are used correctly.

## **5.0 Legal and Resource Implications**

- 5.1 The legal implications relating to the MICE scheme are covered within the report, there are no financial implications. Financial provision for the WBI scheme and the MICE scheme has been made in the revenue budget and capital programme.

## **6.0 Recommendations**

- 6.1 Members are requested to:
- 6.1.1 approve the revised eligibility criteria for WBI schemes as outlined in 3.2;
  - 6.1.2 authorise expenditure of £330,000 on the WBI scheme, subject to approvals in line with procedures set out in the Guidance Notes at Appendix A;
  - 6.1.3 approve the changes to the MICE scheme application process detailed in 4.6.

## **7.0 Background Papers**

There are no specific Background Papers relating to this report.