



## Report of the Chief Democratic Services Officer and the Chief Officer (Libraries, Arts and Heritage)

### Member Management Committee

Date: 12<sup>th</sup> January 2011

### Subject: Member Involvement in Grant Funded Organisations

#### Electoral Wards Affected:

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

## 1.0 Purpose Of This Report

1.1 The purpose of this report is to:

- propose a mechanism by which the Committee can obtain feedback from some of the Council's outside bodies; and
- outline proposals to increase Member involvement in grant funded organisations.

## 2.0 Background Information

- 2.1 Members have previously expressed a view that there should be a mechanism in place that allows Member Management Committee to receive periodic feedback on the bodies which the Council appoints a representative to.
- 2.2 Members have also expressed a view that some work should be undertaken to consider how the Council might have greater involvement with those bodies to which it pays a significant amount of grant, preferably by having elected Member representation on the Board/Committee of the bodies involved.
- 2.3 At the Member Management Committee meeting held on 23<sup>rd</sup> November 2010, a report was presented which outlined proposals relating to this piece of work. It was requested that a further report be submitted to a specially convened meeting in January 2011.

### **3.0 Main Issues**

#### Receiving feedback from outside bodies

- 3.1 In order to provide Member Management Committee with periodic feedback on some of the Council's outside bodies, it is proposed that for those bodies which come under the provisions of a major decision (i.e. those which receive funding of £100,000 or more per year and/or have a significant impact on one or more wards), the lead officer is asked to provide an annual report to the Committee. It is also proposed that the lead officer is asked to report back on any concerns as and when required.
- 3.2 It is proposed that the major decision provisions are used as, according to the Council's Constitution, this is the level at which a decision can be scrutinised by Members. There are 20 bodies which come under these provisions, which are included in the list attached at Appendix 1.

#### Role of Elected Members on Boards

- 3.3 When invited to sit on a Board of an organisation Members become a Trustee and they are governed by the Constitution of that company and their first priority is the company. This means it would be inappropriate for elected Members to be solely on a Board to ensure appropriate spending of the Council grant. This is why officers of Leeds City Council attend Board meetings in an observation role to ensure grant requirements are met.
- 3.4 However elected Members as Trustees would be responsible for the whole company and its performance, within which the grant requirements are set. They can also assist the company to understand the working of Leeds City Council and ensure their achievements are part of the City story.

#### Proposals for increasing Member involvement

- 3.5 Attached at Appendix 1 is a list of bodies that the Council provides a grant to. In order to increase Member involvement, it is proposed that:
- All organisations that receive a grant from the Council of £500,000 and over should offer 3 seats on their Board to Leeds City Councillors;
  - All organisations that receive a grant from the Council between £499,999 and £100,000 should offer 2 seats on their Board to Leeds City Councillors; and
  - All organisations that receive a grant of less than £100,000 but are, nonetheless, judged to have a significant impact on one or more wards, should offer a minimum of 1 seat on their Board.
- 3.6 A requirement could be included in the 2011/12 grant making process for successful organisations to offer a certain number of seats to Leeds City Councillors dependant on the grant size approved, or Members could request that a certain number of seats are offered rather than making it a requirement.
- 3.7 It may also be appropriate for officers to attend Board meetings of some organisations, however it is not within the remit of Member Management Committee to appoint officers to outside bodies.

- 3.8 To assist the transition and avoid organisations having to run over large Boards, it is proposed that those organisations with an elected Member already on their Board in a personal capacity can assume that it is a Leeds City Council grant related place. This is because however an elected Member starts on a Board, the ultimate role is the same, namely a Trustee working only to the constitution of the Board. As far as officers are aware, Members currently sit on the following bodies in a personal capacity:
- Opera North (1);
  - Northern Ballet (2);
  - Middleton Equestrian Centre (1);
  - Piano Competition (3);
  - Red Ladder Theatre Company (1);
  - Pavilion (1); and
  - Northern School of Contemporary Dance (1).
- 3.9 Members are asked to note that any organisations that currently offer more than the proposed number of seats would **not** be asked to reduce the number of seats offered, unless Members wish to request this.
- 3.10 Members may also wish to consider whether they would like to reduce the number of appointments made to those outside bodies which receive a smaller grant from the Council.

#### **4.0 Implications For Council Policy And Governance**

- 4.1 The Appointments to Outside Bodies Procedure Rules will need to be updated to reflect the Committee's resolution in relation to receiving feedback on outside bodies.

#### **5.0 Legal And Resource Implications**

- 5.1 There are no legal or resource implications arising from this report.

#### **6.0 Conclusions**

- 6.1 Member Management Committee has previously expressed a wish to receive feedback from the bodies that it appoints a Member to. In order to achieve this, it is proposed that, for all outside bodies which come under the provisions of a major decision, the lead officer is asked to provide an annual report to the Committee, and also report back on any concerns as required.
- 6.2 The list attached at Appendix 1 shows the bodies that receive a grant from the Council. It is proposed that a number of seats are requested on the Boards of these organisations, in proportion to the size of their grant.

#### **7.0 Recommendations**

- 7.1 Members of Member Management Committee are asked to:
- Consider whether they agree with the proposals for receiving feedback from outside bodies, as outlined in paragraphs 3.1 – 3.2;
  - Consider whether they agree with the proposals for increasing Member involvement in grant funded organisations, as outlined in paragraph 3.5;

- Consider whether any organisations with a grant of less than £100,000 should be considered as having a significant impact on one or more wards, and offer a minimum of 1 place on their Board.
- Consider whether:
  - (i) a **requirement** should be included in the 2011/12 grant making process for successful organisations to offer elected Members seats on their Board in proportion to the grant size approved; OR
  - (ii) organisations should be **requested** to offer elected Members seats on their Board in proportion to the grant size approved.
- Consider whether they would like to reduce the number of Members appointed to those organisations which receive a smaller grant from the Council.

### Background Papers

Minutes of Member Management Committee meeting, 23<sup>rd</sup> November 2010