

REPORT TITLE Newcastle under Lyme Sports Council. Review of Governance Arrangements

Submitted by: Head of Business Improvement, Central Services and Partnerships

Portfolio: Leisure, Culture and Localism

Ward(s) affected: All

Purpose of the Report

To set out proposals to change the governance arrangements for the Newcastle under Lyme Sports Council, and to seek Cabinet's approval for these changes. The Cabinet first identified the need to review the governance arrangements of the Sports Council at its meeting in 22 May 2013. At its meeting on 2 April 2014, it affirmed this position and made specific recommendations as follows:

- The Cabinet requests that the Sports Council undertake a review of its governance arrangements and makes recommendations on alternative approaches which could reduce the cost of administering the allocation of grants.
- The Cabinet requests that this review also considers the mechanism by which those elected Members nominated to serve on the Sports Council provide stewardship of monies allocated by the Borough Council in accordance with the Council's Constitutional provisions.
- The Cabinet requests that the Sports Council come forward with proposals within the next three months.

Although it is understood that the Sports Council has started work to consider these matters it is noted that the timescale set by Cabinet has not been achieved. To this end and to expedite this review, officers of the Council have considered the matter and developed some options which the Cabinet is asked to consider.

Recommendations

Cabinet is asked to approve the following recommendations:

- 1. That the Cabinet endorse the preferred option set out in the report to request the Council's Grant Assessment Panel to be responsible for disbursing the Council's sports grants**
- 2. That the Cabinet requests the Constitutional Review Group to consider the proposal to add co-opted non-voting members drawn from community representatives who have an expertise in matters of sport and sport development to the Grants Assessment Panel for the purpose of considering sports grants (Option D).**
- 3. That the existing support arrangements for the Sports Council – including provision of a honorary secretary and treasurer; administrative/democratic support and the provision of advice by Borough Council officers is discontinued. Cabinet is asked to note, however, the work currently being undertaken by the Sports Council itself in reviewing its work and governance (as outlined in this report).**
- 4. That the Cabinet approves these recommendations with a view to implementing the new arrangements from 1 November 2014 onwards.**

Reasons

To ensure that the process of administering grants across the Council is done in a consistent way, and that the process of administering grants remains efficient and proportionate. In addition, these proposals seek to ensure that the resources provided by the Borough Council, in the form of the sport grant and also advice, guidance and actions from officers across a number of NULBC service areas is directed at delivering positive outcomes as set out in the Council Plan.

1. **Background**

1.1 At its meeting on 2 April 2014, the Cabinet agreed the following resolutions:

The Cabinet requests that the Sports Council undertake a review of its governance arrangements and makes recommendations on alternative approaches which could reduce the cost of administering the allocation of grants.

The Cabinet requests that this review also considers the mechanism by which those elected Members nominated to serve on the Sports Council provide stewardship of monies allocated by the Borough Council in accordance with the Council's Constitutional provisions.

The Cabinet requests that the Sports Council come forward with proposals within the next three months.

1.2 Newcastle under Lyme Sports Council is technically an outside body which awards grants to individuals and groups within the Borough at four meetings held throughout the year. The Borough Council allocates a sum of money (£19,000 for 2014/15) to the Sports Council who then invites applicants to come forward for possible grant funding.

1.3 The Sports Council comprises twelve elected (NULBC) Members and co-optees from local schools, sporting organisations and clubs who are affiliated to the Sports Council. From these Members, up to five elected Members and up to fourteen co-opted Members form the Executive Committee for the awarding of the grants. Administrative support is provided by Member/Democratic Services and Financial Services. In addition to the four executive meetings, an AGM is held in October and an awards evening is held every May.

1.4 It should be noted that the Sports Council has started to outline its own review of its governance arrangements. To this end, the Sports Council Review Working Group has been established. The Working Group has agreed the following as its terms of reference:

- To identify and implement alternative Governance Arrangements for the Sports Council
- To identify any amendments required to the Constitution
- To identify from where the Committee Members would be drawn
- To consider affiliation fees
- To identify venues for future meetings
- To identify methods of administering and monitoring the business of the Sports Council
- To identify the future financial management of the Sports Council and the possibility of extra sponsorship
- To identify those eligible for grant funding
- To identify the structure of the Sports Persons Evening

In addition, the Working Group agreed a number of aims and objectives for the Sports

Council:

- To encourage participation in sport from all sections of the community
- To work in partnership with the Borough Council in assessing the sporting needs of the district of Newcastle-under-Lyme and to advise and help with catering for those needs
- To help the local authority, as a consultee, by advising generally on the collective opinion of local sports interests for the future planning of sports facilities
- To encourage the development of sporting excellence
- To administer grants towards expenses incurred in the participation of sporting activities. (expenses can include equipment, travel, training fees. Grants will not be paid for running costs)
- To recognise sporting achievements of local individuals/clubs at an annual awards ceremony.

Based on this framework, the Working Group has outlined a number of proposals for the future operation of the Sports Council. These proposals should be viewed in conjunction with the recommendations in this report. The Sports Council proposals include:

- To investigate the potential for the Sports Council to become a Limited Liability Company
- To review membership of the Sports Council
- To establish affiliation fees
- To investigate alternative meeting venues around the borough

In addition, the Working Group did set out a range of eligibility criteria for those groups/individuals wishing to bid for funds.

2. **Issues**

2.1 The above Cabinet resolution makes clear a requirement to revise the governance arrangements for the allocation of the sports grants which give elected Members stewardship of the funding which is provided by the Borough Council in line with the Council's Constitutional provisions. Secondly, it requires measures to be taken to reduce the current administrative costs of the current Sports Council arrangements.

2.2 *Stewardship of monies*

The Sports Council has no bank account and does not hold funds itself. The Borough Council makes payments of grants on its behalf following their approval by the body at its meetings and receives income on its behalf (affiliation fees), within the amount of the grant approved by the Borough Council. Annual accounts are also prepared by Finance staff.

The Sports Council comprises twelve elected (NULBC) Members and co-optees from local schools, sporting organisations and clubs who are co-opted onto the Sports Council at the Annual General Meeting in October and must be affiliated to the Sports Council. From these Members, five elected Members and up to fourteen co-opted Members form the Executive Committee for the awarding of the grants. The arrangements set out in this report (see paragraph 1.3) mean that the Borough Council elected Members technically form a minority on both bodies making it difficult for them to exercise stewardship of the funds (at least in theory).

Funds are allocated at the Executive meetings where the applicant or a representative must attend to answer any questions put to them. After all applicants have been seen, the

Committee discusses each one on its own merit and allocates a sum of money. This amount is then either paid by BACS or cheque a few days later.

2.3 *Policy context*

Decisions made by the Borough Council are done within a policy context. For example, for other grant awards made by the Council, a set of criteria are considered, including

- Fit with Council's vision, objectives and priorities
- Consistent with relevant Borough Council strategy/ies.
- Aligned with the strategic objectives of the Newcastle Partnership
- Demonstrable need for the project or service for which funding is sought.
- Demonstrable need for Grant Aid.
- Availability of Funding from other sources.
- Availability of non-restricted balances held by the applicant.
- Proven track record of applicant in achieving stated objectives (where relevant).
- Eligibility of applicant.
- Benefit to inhabitants of Newcastle.

2.4 Under the current arrangements in making over the funding to the Sports Council, there is no mechanism for the Borough Council Members to set criteria for the allocation of awards. Further it would appear that the Sports Council is using a limited criteria based mechanism for when making grant awards. These arrangements mean that there is a lack of transparency in the allocation of funding and the outcomes it is intended to achieve. This is a significant weakness in the current arrangement which also makes it impossible for the Council to make any objective assessment of the value for money or community benefit which has been achieved by the award of individual grants. This situation is compounded by the fact that the Sports Council does not undertake any analysis of the impact of grant awards which it has made over a period of years.

This position contrasts with the Council's arrangements for the allocation of other grant monies. In the case of other grant 'pots' such as Community Chest, Small Grants and Cultural Grants, the Borough Council currently accepts applications and considers these applications in conjunction with the Grants Assessment Panel. These grants are therefore aligned with the Borough Council's corporate priorities.

2.5 *Support arrangements*

Administrative support is provided by the Council's Democratic Services and Financial Services teams. In addition to the four executive meetings, an AGM is held in October and an awards evening is held every May. Together with the involvement of NULBC elected Members as outlined in the previous section of this report, meetings of the Sports Council are administered, serviced and supported by NULBC staff and the positions of Honorary Secretary and Treasurer of the Sports Council are both occupied by NULBC officers. Most importantly all the monies which are disbursed by the Sports Council are provided from the Borough Council's funds. The absence of direct NULBC input into this process means that these funds are not guaranteed to be used in line with the corporate and service planning processes of the Borough Council and are not guaranteed to be focused on the corporate priorities of the Borough Council, as set out in the Council Plan.

3. **Options Considered**

3.1 *Status Quo* (Option A)

This option would not deliver any of the requirements set out by Cabinet in its April 2014 resolution. As has been set out above, the current arrangements do not meet stewardship, policy alignment or reduced servicing costs requirements.

Reconstituted Sports Council (Option B)

A reconstituted Sports Council with new governance arrangements could address the stewardship shortcomings set out above. The Sports Council could also adopt a policy based criteria framework against which to assess grant applications and put in place an evaluation arrangement to assess whether the objectives have been met. A reconstituted Sports Council, however, does not deal with the requirement to reduce support overheads and maintain separate accounts - indeed the requirement to adopt a free-standing assessment and evaluation process place greater administrative costs on the secretariat function in both the immediate and longer term. It could be, however, that a reconstituted Sports Council could be developed (see para 1.4), but this would be without the administrative support currently provided by the Borough Council.

Pass disbursement responsibility to the NULBC Grants Assessment Panel (Option C)

It has been noted that the Grants Assessment Panel undertakes a similar role to the Sports Council in the distribution of grants especially in the case of Cultural Grants. In this case, the Panel hears advice and guidance from experts in the particular field under consideration from a wide variety of community and interest groups before coming to a decision over which application(s) to approve. The Grants Assessment Panel meets the stewardship requirement set by the Cabinet since it is a sub-Committee of the Cabinet and operates within the Council's overall Constitutional framework. This option would reduce the costs of administering the Council's sports grants as the workload required to service the freestanding Sports Council would be lessened if this work were incorporated into an existing decision making process. As has been set out above, the Grants Assessment Panel already makes grant awards within a policy framework set by the Council so the arrangement would meet this requirement. The existing Grants Assessment Panel Terms of Reference are attached at Appendix A

- 3.2 Whilst this final option is the preferred of those considered, Members should be aware of what would be lost under this arrangement including the undoubted benefit which the Sports Council derives by having representatives of local sports bodies, local schools and other community interests co-opted onto it. For this reason, a fourth option is put forward offering an amendment to the preferred option and thereby addressing this issue by retaining the benefit of input from local bodies.

Grants Assessment Panel with co-opted Members (Option D)

There are statutory provisions for the Council to establish a sub-Committee with co-opted members drawn from beyond the membership of the Council. It is therefore suggested that Members may wish to consider the option to add co-opted non-voting Members to the Grants Assessment Panel when considering sports grants and that these co-opted Members be drawn from bodies in the Borough which have expertise in such matters. It is considered that representatives may be sought from local sports bodies, local schools and the institutions of Higher and Further Education and from the County Sports Partnership – Sport Across Staffordshire and Stoke on Trent (SASSOT) which is a county-wide body with a brief to advise on sports matters of which the Borough Council is a subscribing member.

- 3.3 *Reasons for the preferred option*

Taking on board the issues outlined in the previous section of this report, it is clear that the

Borough Council needs to consider different ways of working which ensure that funds provided by NULBC in the area of sports development align with corporate and service priorities, whilst also reducing the required Borough Council resources needed to administer grant distribution and maintaining the involvement of elected Members and others from the sporting communities of the Borough.

- 3.4 It has been noted that similar considerations are relevant in relation to the provision of grants in other areas of work by the Borough Council, including Cultural Grants, the Community Chest and Small Grants. Each of these grant areas are currently overseen by the Grants Assessment Panel. The Panel meets three times a year and currently deals with applications under each of these grant headings. The Panel is made up of nine elected NULBC Members, supported by officers from the NULBC Partnerships team and also from Democratic Services at NULBC.
- 3.5 Given these circumstances, this report proposes that the Panel could expand its remit and take on the administration and consideration of sport grants through examining applications and approving/rejecting them, thereby mirroring the current arrangements in relation to cultural grants. Under these proposals, the Panel could also invite a selection of people from organisations such as Sport Across Staffordshire and Stoke on Trent, Newcastle College, Keele University and the Head Teachers Association – all of whom could give expert advice on applications prior to an award being determined.
- 3.6 In addition to this proposal, and reflecting the changed nature of the Sports Council in the event of such changes being made, it is further suggested that the existing support provided to the Sports Council in the form of officer support from Democratic Services; provision of a Honorary Secretary/Treasurer; and the provision of funding from NULBC is all discontinued and that officer time is either saved and diverted to other uses or is transferred to support the expanded work of the Grants Assessment Panel (the annual sport grant funding would be transferred in such a scenario). This would not create any direct or cashable savings, but it would allow resources to be used elsewhere, which is helpful when overall resources are being reduced.
- 3.7 It is therefore proposed that the option of transferring the work of the Sports Council to the Grants Assessment Panel and that this expanded remit is supported by the involvement of representatives from sporting and educational organisations in the Borough. Further, this option advocates the discontinuation of officer support and financial support for the Sports Council from NULBC (Option D – recommended). Option D, therefore, is recommended as it better aligns the use of funding and officer time/other resources with the strategic position of the Borough Council than is currently the case under existing arrangements and enables Member decisions on grant awards to benefit from independent expert advice.
- 3.8 The other options for the Cabinet to consider in this case are either to keep the existing arrangements in place (Option A, which does not achieve the aim of using the Borough Council's decreasing resources in the most effective or efficient way) or (Option B) for Cabinet to agree to resource both the Sports Council and the Grants Assessment Panel in the consideration of applications for sport grants. Neither of these options is recommended.

4. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 4.1 Sport has a positive effect on all four of the Council's corporate priorities:
- A Clean, Safe and Sustainable Borough – sport deters anti social behaviour by providing positive diversionary activities.

- A Borough of Opportunity – the grant awards offer encouragement and opportunities for individuals and teams to overcome some of the financial barriers to participation.
- A Healthy and Active Community – sport contributes to a healthy lifestyle.
- A Co-operative council delivering high quality, community-driven services - investment is targeted to maximise impact on positive outcomes in conjunction with the community

5. **Legal and Statutory Implications**

5.1 Legal powers need to be amended for the Grants Assessment Panel to determine the award of the Borough Council's sport grants monies. A minor constitutional change would be required to enable independent experts to be co-opted onto the Grants Assessment Panel to advise on the award of sports grants.

6. **Financial and Resource Implications**

6.1 A grant of £19,000 was awarded to the Sports Council for 2014/15 – this will be reviewed for 2015/16

6.2 The amount available for 2014/15 has reduced following a funding review and assessment of the levels of Council grants and contributions available. The review was undertaken in consultation with relevant stakeholders with regard to the levels of funding available to the Council.

6.3 In addition to the grant, the Borough Council also provides administration for meetings of the Sports Council together with free room hire. This is estimated to be approximately £2,500 of "in-kind" contribution.

7. **Major Risks**

There are no major risks associated with this funding.

8. **Background Papers**

None